REMITTANCE ECONOMY
MIGRATION-UNDERDEVELOPMENT IN SRI LANKA

Matt Withers

A thesis submitted in fulfilment of requirements for the degree of Doctor of Philosophy.

Faculty of Arts and Social Sciences
Department of Political Economy
The University of Sydney
2017
“Ceylon ate the fruit before growing the tree”
- Joan Robinson
Acknowledgements

Thanks are due to a great number of people who have offered support and lent guidance throughout the course of my research.

I would like to extend my appreciation foremost to my wonderful supervisors, Elizabeth Hill and Stuart Rosewarne, whose encouragement and criticism have been (in equal measure) invaluable in shaping this thesis. I must similarly offer heartfelt thanks to my academic mentors, Nicola Piper and Janaka Biyanwila, both of whom have unfailingly offered their time, interest and wisdom as my work has progressed. Gratitude is also reserved for my colleagues Magdalena Cubas and Rosie Hancock, who have readily guided me through the more challenging stages of thesis writing with insights and lessons from their own research.

A special mention must be made for the Centre for Poverty Analysis in Colombo, without whose assistance my research would simply not have been possible. I would like to thank Priyanthi Fernando for her willingness to accommodate me, Mohamed Munas for helping to make fieldwork arrangements, and to Vagisha Gunasekara for her friendship and willingness to answer my incessant questions about Sri Lanka. Special thanks are Likewise accorded to Mohamed Shamil, whose interpreting, liaising and motorcycle handling skills were indispensable.

Another special mention must be made for the Women’s Centre of Sri Lanka and their numerous field contacts who generously facilitated the initial interviews and ‘got the ball rolling’. Keep fighting the good fight.

Lastly, I’m very grateful to the friends and family who have endured the turbulence of the past four years, and particularly to Ezreena Yahya for her patience and understanding during the more testing moments.
### Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>ALFEA</td>
<td>Association of Licensed Foreign Employment Agencies (Sri Lanka)</td>
</tr>
<tr>
<td>CBSL</td>
<td>Central Bank of Sri Lanka</td>
</tr>
<tr>
<td>CEPA</td>
<td>Centre for Poverty Analysis (Sri Lanka)</td>
</tr>
<tr>
<td>CMRD</td>
<td>Centre for Migration Research and Development (Sri Lanka)</td>
</tr>
<tr>
<td>DCS</td>
<td>Department of Census and Statistics</td>
</tr>
<tr>
<td>DNP</td>
<td>Department of National Planning</td>
</tr>
<tr>
<td>EMN</td>
<td>European Migration Network</td>
</tr>
<tr>
<td>EPZ</td>
<td>Export Processing Zone</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>GCC</td>
<td>Gulf Cooperation Council</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>IOM</td>
<td>International Organisation for Migration</td>
</tr>
<tr>
<td>IPS</td>
<td>Institute for Policy Studies (Sri Lanka)</td>
</tr>
<tr>
<td>JAAF</td>
<td>Joint Apparel Association Forum (Sri Lanka)</td>
</tr>
<tr>
<td>JBIC</td>
<td>Japan Bank for International Cooperation</td>
</tr>
<tr>
<td>JDI</td>
<td>Japan Development Institute</td>
</tr>
<tr>
<td>KNOMAD</td>
<td>Global Knowledge Partnership on Migration and Development</td>
</tr>
<tr>
<td>LTTE</td>
<td>Liberation Tigers of Tamil Eelam</td>
</tr>
<tr>
<td>MFEPW</td>
<td>Ministry for Foreign Employment Promotion and Welfare</td>
</tr>
<tr>
<td>MFP</td>
<td>Ministry of Finance and Planning</td>
</tr>
<tr>
<td>MMWD</td>
<td>Ministry of Megapolis and Western Development</td>
</tr>
<tr>
<td>NELM</td>
<td>New Economics of Labour Migration</td>
</tr>
<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>SDC</td>
<td>Swiss Agency for Development and Cooperation (Sri Lanka)</td>
</tr>
<tr>
<td>SLBFE</td>
<td>Sri Lanka Bureau of Foreign Employment</td>
</tr>
<tr>
<td>SLFP</td>
<td>Sri Lanka Freedom Party</td>
</tr>
<tr>
<td>UNP</td>
<td>United National Party</td>
</tr>
<tr>
<td>WMC</td>
<td>Women and Media Collective (Sri Lanka)</td>
</tr>
</tbody>
</table>
## Table of Contents

Abstract 6

Introduction 8
An Elephant in the Room

### Part One: Contextualising Temporary Labour Migration in Sri Lanka

Chapter One 19
The History and Ideology of Migration-Development

Chapter Two 40
The Political Economy of Uneven Development and Labour Migration in Sri Lanka

### Part Two: Empirical Research and Fieldwork Findings

Chapter Three 70
Research Aims and Methodology

Chapter Four 85
In Search of the ‘Good Life’: Uneven Development and Forced Migration

Chapter Five 114
The Cost of Being Exploited: Fees, Debts and the Merchants of Labour

Chapter Six 139
Manufacturing Success: Status and the Re-socialisation of Migrant Labour

### Part Three: Macroeconomic Implications

Chapter Seven 169
Remittance Capital: Financing Uneven Development

Chapter Eight 199
Remittance Economy: The Unequal ‘Wins’ of Temporary Labour Migration

Conclusion 229
Migration-Underdevelopment in Sri Lanka

Bibliography 237

Appendix: Fieldwork Survey 252
Abstract

Sri Lanka's integration at the lower tiers of a (re)globalising world economy has entailed the mass migration of low-skilled and domestic workers employed as temporary contract labour throughout the oil-economies of West Asia. Foreign employment of this kind began after neoliberal economic restructuring in 1977 and, by facilitating remittance transfers, has since become a dominant livelihood strategy for households and the largest source of export earnings for the economy. Dominant policy-level assumptions of a mutually-beneficial ‘triple win’ between migrants and their countries of origin and destination posit that temporary labour migration will produce positive economic outcomes for all involved. Yet while labour-receiving economies clearly benefit from exploiting reserve armies of labour and care, the developmental implications of remittance transfers for migrant households and sending economies remain empirically ambiguous and relatively under-theorised. Employing a multiscalar analysis of migration outcomes – spanning individual households, local communities, the macro-economy and global patterns of capital accumulation – this thesis demonstrates how cumulatively causative processes at structural, institutional and agency levels have left Sri Lanka a precariously uneven and remittance-dependent economy.

Sri Lanka’s dilemma hinges on a central contradiction: uneven development has forced marginalised populations into foreign employment, only for their remittances to maintain the model of development they themselves are excluded from. The dualistic nature of remittance capital, as both an individual income transfer and an aggregate foreign exchange inflow, is fundamental to this dynamic. Fieldwork findings from over 100 interviews with migrant returnees suggest that a combination of rigid economic geography, exploitative recruitment networks and the social importance of status consumption have resulted in few lasting benefits from foreign employment. Most migrants achieved subsistence rather than ‘success’, while those from more disadvantaged communities often returned indebted. Whilst remittance transfers have generally produced one-off or transient benefits for migrant households, their aggregated inflows have cushioned Sri Lanka’s trade deficit and buoyed the rupee to underwrite international loans that sustain uneven development by financing large infrastructural projects orientated explicitly to capital and the urban economy. Although evoking the pretence of stability, Sri Lanka’s remittance-driven development has complex implications for trade
and production, to the effect of undermining domestic industry and limiting local spillovers from remittance consumption. With increasing remittance inflows needed to buffer the current account deficit and maintain macroeconomic stability, Sri Lanka has become entwined in an unsustainable and seemingly intractable path dependence on temporary labour migration as a substitute for substantive economic development.
Introduction

An Elephant in the Room

Background

Temporary labour migration has quietly become the cornerstone of Sri Lanka’s economy. Although the South Asian island is more frequently associated with tea, tourism and garment manufacturing, in 2015 the combined net foreign exchange earnings of its three largest industries were eclipsed by workers’ remittances amounting to US$6.9 billion (CBSL 2016). Equivalent to 66 percent of total export earnings and 8.5 percent of gross domestic product (GDP) for the same year (CBSL 2016), the prominence of these remittance inflows is commensurate to the volume of domestic and low-skilled workers leaving Sri Lanka to work abroad, overwhelmingly in the oil-economies of West Asia. The last available data indicates that there were 1,932,245 Sri Lankans in foreign employment as of 2010 (SLBFE 2012), approximately 10 percent of the country’s total population and equivalent to roughly 25 percent of the domestic workforce. Given that annual departures have increased year-on-year since 2010, and large irregular migration flows remain unaccounted for, these figures can be considered conservative estimates of the true extent of Sri Lanka’s migrant workforce.

For Sri Lanka’s working poor, this statistical snapshot reflects a more intimate socio-economic reality: the prevalence of temporary labour migration as a dominant livelihood and survival strategy. Since sweeping economic reforms in 1977 liberalised Sri Lanka’s migration policy, foreign employment in West Asia has become an increasingly common means of earning an income in lieu of decent local work and – for the most developmentally marginalised communities – almost a rite of passage. The conditions and commonness of temporary labour migration cuts asymmetrically across Sri Lanka’s gender, ethnic and class divisions. Throughout the first two decades of migration to West Asia, the clear majority of workers were female domestic workers, typically of poor Sinhalese background (Eelens, Mook, and Schampers 1992; Kottegoda 2004); by 1997 women accounted for 75 percent of all Sri Lankan migrants (SLBFE 2012).
This trend is consistent with the broader feminisation of Sri Lanka’s export sector following the 1977 reforms, which oversaw the establishment of Export Processing Zones (EPZs) within which young Sinhalese women were employed as cheap labour for a then-nascent garments industry. As traditional male livelihoods (mainly fishing and agriculture) waned amidst rapid inflation and economies of scale, women were increasingly positioned as the new breadwinners of the rural economy, either through internal migration to work in the garments industry or through international migration as domestic workers (Kottegoda 2004). These women were, on account of a Sinhalese-majority demographic composition and the radically different political and economic landscape for Tamil women embroiled in Sri Lanka’s civil war, by and large Sinhalese – although Indian Tamil\(^1\) women made up the bulk of plantation labour and Sri Lankan Muslim\(^2\) women were over-represented amongst migrant domestic workers. Along with male migrants, women were (and still remain) almost uniformly drawn from Sri Lanka’s working class – ‘unskilled’, low-skilled and domestic workers comprised 95 percent of migrants in 1994 (the earliest available skill data) (SLBFE 2012) and still account for 90 percent as of 2015 (CBSL 2016).

Since 2004, male migrant departures have been on the rise, reaching parity with female departures in 2008 and as of 2015 accounting for 65 percent of annual outflows (SLBFE 2012; CBSL 2016). Despite this pronounced change in the gender composition of temporary labour migration, the common sentiment that Sri Lanka has become a “country of housemaids” endures (Waldman 2005). Although the economic significance of temporary labour migration is rarely discussed in policy or media, there is a palpable sense of public concern for the treatment of female migrant workers and the consequences for families left behind. This concern is, however, mostly articulated through a patriarchal ethno-nationalist vocabulary that upholds women’s maternal fealty and sexual chastity as touchstones for Sinhala-Buddhist tradition and morality. There is more than a little patriarchal unease behind popular construals of migrant domestic workers as eschewing maternal responsibility by ‘abandoning’ their children or ‘breaking up’ families via their foreign employment (Cooray 2015). The Sri Lankan government responded to these concerns about the ‘social cost’ of migration by restricting the migration of women under

\(^1\) The Indian or ‘Plantation’ Tamils were brought to Sri Lanka from India during British colonial occupation, and are considered ethnically distinct from the Sri Lankan or ‘Eelam’ Tamils whom have been living in Sri Lanka for over two thousand years.

\(^2\) Sri Lankan Muslims are considered ethnically distinct, and identify as Moors descendant from Arabic traders. A much smaller population of Muslims identify as Sri Lankan Malays, descendant from Malaysia.
the age of 25 or with children under the age of five effective as of January 2014 (Jayasundere, Abeyasekera, and Idemegama 2015). Similarly, outright bans on domestic worker migration have recently been discussed, both by the Rajapaksa government in 2013 and 2014, and by the incumbent Sirisena government in 2016 (Daily Mirror 2014; Aneez 2016a). Whilst such policy discourse is likely shaping the gender composition of migrant departures, the government has ultimately stopped short of enacting a genuine curtailment of domestic worker migration. Even when outrage was aired most vociferously, following the high-profile execution of a domestic worker in Saudi Arabia in 2013, the government’s official declaration of a total ban on domestic worker migration never materialised in practice.

The problem is that Sri Lanka can no longer afford not to send domestic workers: the country’s growing dependency on remittances has become an elephant in a room otherwise populated by bold proclamations of developmental promise. The acrimonious end to civil war in 2009 has been widely framed as a watershed moment for Sri Lanka’s economic development, expected to deliver the stability necessary to attract galvanising investment and tourism. Rajapaksa’s post-war developmental manifesto, Sri Lanka – The Emerging Wonder of Asia, left no room for ambiguity in this regard:

“The Sri Lanka’s growth targets for the 2010-2016 period appear well within reach. The 26 year conflict is over. Necessary infrastructure is in place. The global economy is on the recovery path... Sri Lanka’s investment climate for the private sector has been affected adversely in the past by conflict related uncertainties, legal disputes and infrastructure limitations. However, there are indications that the climate in Sri Lanka is rapidly improving.” (DNP 2010, 5)

The macroeconomic prospectus laid out in Sri Lanka – The Emerging Wonder of Asia evokes a popular local motif of seeing Sri Lanka as a nascent Singapore, a ‘dynamic global hub’ in waiting (DNP 2010). Yet this vision, in its haste to appropriate and transpose fashionable tropes of development parlance – to erect a ‘modern market economy’, driven by 'knowledge-based enterprise', 'globally competitive industry' and 'vibrant capital markets' – makes little acknowledgement of Sri Lanka’s reliance on remittances to maintain its current macroeconomic stability. Neither migrant workers nor their earnings are mentioned throughout the 318 pages of Rajapaksa’s manifesto, save for a lone bullet
point projecting a near doubling of remittance inflows to US$7 billion by 2016 and a single sentence avowing greater protection for migrant domestic workers from sexual exploitation (DNP 2010, 3 & 187). The macroeconomic importance of remittances is instead only alluded to, as an uncredited foreign exchange buffer that allows for “a competitive, yet stable exchange rate... supported by a surplus in the Balance of Payments” (DNP 2010, 6).

As of 2016 Sri Lanka’s post-war optimism has begun to lull, with GDP and exports falling short of the projected figures (DNP 2010). Export earnings, in particular, remain only slightly above 2010 levels (World Bank 2016). Meanwhile, the anticipated doubling of remittances had already occurred by 2014, without garnering much recognition. Although recent statistics indicate that inflows have since plateaued (World Bank 2016; CBSL 2016), correlated with slumping oil prices and curbing demand for migrant workers in key destination countries, the government had revised its hopes upwards with aims to secure an annual US$10 billion in remittance receipts by the end of 2016 (IPS 2014). The government’s need for increasing remittances, as evident under the current Sirisena government as it was under Rajapaksa, is underscored by burgeoning external debt from ‘muscular’ post-war infrastructural projects that have failed to encourage sustainable or inclusive development. In light of a persistent trade deficit, Sri Lanka has relied on growing remittances to buffer its current account and maintain the relatively stable exchange rate needed to repay maturing development loans from international creditors. The recent slowdown in remittance inflows has resulted in consecutive current account deficits which, amidst dwindling foreign reserve holdings, threatens to exacerbate debt obligations. Whereas the importance of remittances were once overlooked, indirectly financing Sri Lanka’s developmental vision but seldom discussed, concerns about the macroeconomic implications of a remittance slowdown are now being voiced.

*The Nation*, a popular English-language weekly, captured these concerns succinctly:

“*The comparatively slower growth in Sri Lanka’s consistently largest foreign exchange earner, worker remittances, in 2015 till to-date is a major concern given the fact that other predominant revenue streams, such as exports, tourism and Foreign Direct Investments (FDI) have also not performed to expectations... if the current trend continued, Sri Lanka would be under severe fiscal pressure owing to...*”
Thus, while the government faces persistent moral pressure to stem domestic worker migration, there appears to be an overriding imperative to encourage temporary labour migration as a means of securing remittance inflows. For Sri Lanka’s economically marginalised, this developmental strategy means a deepening reliance on performing notoriously precarious work (Schierup et al. 2015) for questionable financial returns to their households and communities. Meanwhile, although concerns about remittance slowdown will likely subside provided oil prices rebound and West Asian demand for migrant labour continues as before, the immediate threat of a macroeconomic bottleneck is telling of a more profound structural contradiction at the heart of Sri Lanka’s ‘remittance economy’. With ever-greater remittances needed to buttress its current account, Sri Lanka appears intractably reliant on redoubling temporary labour migration to disguise an absence of substantive economic development at home. This contradiction, itself entwined with uneven development that has forced marginalised populations into foreign employment in order to fund further projects of uneven development, is the central topic of this thesis.

**Migration-Development and the Economic Justification for Foreign Employment**

Research for this thesis commenced in Colombo during January 2013, coinciding with widespread public outrage concerning the treatment of Sri Lanka’s migrant domestic workers in West Asia. A few days earlier, on January 9, a Sri Lankan Muslim woman – Rizana Nafeek – had been beheaded in Saudi Arabia, charged with the murder of a four-month-old child that had died in her care several years earlier. Nafeek had been 17 at the time, having migrated on a forged passport supplied by recruitment agents on account of being too young to have taken up foreign employment legally (Weerasooriya 2013). Her execution, proselytising of public opinion though it was, represents only the most violent extremity of a wide spectrum of human and labour rights violations that occur during temporary labour migration from South to West Asia. Just as fatalities among Nepalese migrant workers constructing stadiums for the FIFA World Cup in Qatar have brought transient international attention to the most grievous end of a malignant abuse of labour that stretches back to the 1970s, so too did Nafeek’s death garner a wave of mediated
indignation whose receding tide left the more commonplace abuses of migrant domestic workers unstirred. The ILO has catalogued historical and ongoing rights violations that occur in the vacuums of jurisdiction that temporary labour migration operates within, including incidence of physical and sexual abuse, deception regarding wages and conditions, withholding pay and overwork (ILO 2010). Such abuses occur alongside psychological and social traumas associated with migration that are less-readily quantifiable, such as experiences of isolation and familial separation (ILO 2010; Gündüz 2013). There are numerous reasons why the hardships associated with temporary labour migration are overlooked and even tolerated, including the very ‘invisibility’ of migrant suffering and the prevalence of similar hardships within migrant-sending countries. Perhaps most influential, however, is the persistent economic justification for temporary labour migration: the belief that it brings about economic development.

The relationship between migration and development has a long and ideologically fraught history, with migration typically construed as a developmental boon or burden in step with prevailing paradigms of economic development. The apposite theoretical shift in recent times has been the widespread emphasis placed on remittances – hitherto only a footnote in the migration-development debate – as a source of developmental capital. Following the turn of the millennium, remittance inflows began to outpace Official Development Assistance (ODA) and even Foreign Direct Investment (FDI) as the single largest source of foreign currency for developing economies, prompting a new phase of pronounced optimism regarding the potential for temporary labour migration (as distinct from permanent emigration) to bring about developmental outcomes. Whereas permanent emigration has historically been associated with brain drain and the de-skilling of developing economies, temporary labour migration has been framed as a ‘triple win’ outcome. In this scenario remittances and the return of experienced workers (‘brain gain’) are expected to benefit migrants and migrant-sending countries in addition to the destination countries that make use of migrant labour. Unlike previous turns in the migration-development debate, which have been more or less confined to theory (with the notable exception of Europe’s guest worker programs), the ‘triple win’ mantra has unprecedented backing by key developmental institutions and has exerted profound influence over global, regional and national economic policymaking. The notion that temporary labour migration leads to development is enshrined by international development bodies (e.g. the World Bank and International Monetary Fund (IMF)),
regional economic organisations (e.g. the Organisation for Economic Cooperation and Development (OECD) and the Asian Development Bank (ADB)) and sending-country governments who increasingly frame migrants as ‘heroes’ and ‘agents of development’ while outsourcing their own developmental accountability for providing decent work at home.

Problematically, however, while the ‘wins’ for migrant-receiving economies are readily apparent (i.e. access to a global reserve army of cheap and exploitable labour), the benefits for migrants and migrant-sending countries are far more ambiguous and lack empirical support. Proponents of ‘triple win’ migration theorise remittances in particular as improving personal income for migrant workers and their families, while moreover aggregating as large and counter-cyclical source of foreign exchange earnings for migrant-sending economies (World Bank 2006a). Remittances are accordingly presumed to alleviate poverty, spur migrant entrepreneurship, create spillovers for local communities and improve the creditworthiness of the migrant-sending country (World Bank 2006); in short, they are a priori expected to effect outcomes envisioned as conducive to market-driven development. However, primary research has instead tended to suggest that remittances, and temporary labour migration more generally, produce a variety of contextually-specific outcomes for migrants and their countries of origin that are significantly tempered by individual circumstances and prevailing structural constraints to development. Thus, although framed as mutually beneficial, the relative distribution of ‘wins’ associated with temporary labour migration are decisively skewed towards capital and private households in migrant-receiving countries, while the assumed gains accruing to migrants and migrant-sending countries remain both under-theorised and empirically unsubstantiated. Sri Lanka’s uneven and unsustained economic development, despite large and steady outflows of temporary labour migrants and commensurate inflows of remittances, demands a more critical examination of the assumed causality between migration and development that presently offers economic justification for rampant violation of human and labour rights.

Earlier instances of migration-development optimism, rooted in neoclassical models of wage factor equalisation emerging in the 1960s, met robust criticism from a variety of neo-Marxist and dependency theorists together comprising the historical-structuralist perspective. Whereas neoclassical economists anticipated that labour migration would
entail an equilibration of global incomes, historical-structuralists typically saw migration as an exploitative process bounded by historical macro-structures of global capitalism and constitutive of “the development of underdevelopment” (Gunder Frank 1966). Within this general framework, the expansion of global capitalism uproots migrants by disrupting local economies and re-accommodates them as exploitable labour inputs for core accumulation processes; attendant theories of ‘brain drain’ depict a siphoning of skilled labour from periphery to core regions, mirroring contemporaneous theories of unequal exchange in trade relations. Though prominent throughout the 1970s and 1980s, historical-structuralist critiques have subsequently lost favour, dismissed as being structurally deterministic amidst the proliferation of agency-centric migration theories and an accompanying empirical emphasis on the heterogeneity of migration-development experiences across various developing regions (de Haas 2012). Furthermore, without offering a systematic analysis of remittances, historical-structuralism and its prevailing conceptual tools are ill-positioned to comprehensively unpick the problems inherent to the current promotion of remittance-driven development integral to the dominant ‘triple win’ policy rhetoric.

**A Brief Overview of Theory, Methodology, Chapters and Contributions**

This research examines whether the transfer and consumption of remittances constitutes a valuable source of developmental capital for Sri Lanka. It responds to the problems posed by the dominant ‘triple win’ framing of migration-development, as well as the limitations of existing critical perspectives, by exploring the economic outcomes of Sri Lankan temporary labour migration at various scales. In emphasising contextually-specific interlinkages between individual migrants, their communities, the Sri Lankan economy and global patterns of capital accumulation, this framework rejects the supposed irreconcilability of structure and agency, along with the associated tendency to homogenise migrant-sending countries as uniformly exploited by capital or preoccupied with rational choice. By drawing attention to the internal complexities of Sri Lanka’s uneven development, it instead identifies a multiscalar series of cumulatively causal processes that have entrenched a path dependence on temporary labour migration for individual households and the macroeconomy alike. Central to this analysis is a systematic critique of remittances – both as atomised income transfers and as aggregated foreign exchange earnings – in relation to existing conditions of underdevelopment.
The very notion of ‘development’ speaks to a variety of analytical levels, from individual livelihoods, to the dynamics of local economies, to broader disparities in wealth between core and peripheral regions of the world economy. Responding to the evident need for a systematic analysis of remittances that encompasses these interwoven scales of economic development, this research adopts a multiscalar theoretical framework that draws on a Marxian analysis of uneven development to situate migrant agency alongside local institutions that in turn interface with global patterns of capital accumulation (Chapter One). This theoretical emphasis in turn shaped key methodological decisions, specifically the choice to conduct mixed-methods surveys with returned migrants from four demographically and geographically differing communities (Chapter Three). This was deemed the most appropriate means of gathering empirical data that addresses the diversity of individual experience while also offering insights into the dynamics of uneven development throughout Sri Lanka, the complexities of which are often neglected (Chapter Two).

The resultant interplay of theory and methodology oversees the development of four conceptual themes, each addressing a different scale of migration analysis: remittance capital (international), forced migration (countrywide), place (local community) and status (individual). Each of these themes likewise represent differing facets of path dependency associated with Sri Lanka’s experience of temporary labour migration. The latter three themes – forced migration, place and status – were addressed directly through conducting primary research, and frame the three chapters that discuss fieldwork findings (Chapters Four, Five and Six). Remittance capital, on the other hand, speaks to the macroeconomic implications of temporary labour migration for Sri Lanka and is extrapolated from fieldwork findings, but also triangulated with other studies and secondary data.

This discussion of remittance capital forms the final section of the thesis and is partitioned into an analysis of the macroeconomic implications of remittance-driven development within Sri Lanka (Chapter Seven) and relative to other regions of the world economy (Chapter Eight).

Throughout the course of these chapters, three specific contributions are made to the
migration-development literature:

Firstly, it provides a theoretical advancement in attempting to reconcile structure and agency through the development of a Multiscalar Migration Theory framework that draws on Marxian theories of underdevelopment to highlight geographic and institutional intermediaries that shape (and are shaped by) individuals and capital alike.

Secondly, it draws attention to the importance of understanding the disparate experiences of migration within migrant-sending countries that are too often homogenised by structure-centric or agency-centric approaches. Historically and geographically specific economies of gender, ethnicity and class differentiate who migrates and under what circumstances, but also reveal complex migration cultures that can become path dependent in their own right.

Thirdly, and in direct response to the research question, the thesis offers a systematic analysis of remittance capital hitherto missing from the historical-structuralist critique of migration development. This conceptualisation of remittances coherently maps the interplay of household remittance transfers with countrywide economic development and global patterns of underdevelopment.
Part One

Contextualising Temporary Labour Migration in Sri Lanka
Chapter One

The History and Ideology of Migration-Development

Overview

The migration-development nexus is anything but a new concern (de Haas 2012). Resurgent academic and policy enthusiasm regarding the relationship between temporary labour migration and economic development has overshadowed a longer and more ideologically fraught migration-development debate. Emerging alongside modernisation theory in the aftermath of World War Two and subsequently mirroring broader shifts in development paradigms, this literature has been comprehensively reviewed on a number of occasions (Massey et al. 1993; de Haan 1999; Arango 2004; de Haas 2007; Abreu 2012; King 2012). Perhaps the most influential recent interpretation has been Hein de Haas’s argument that the migration-development debate has “swung back and forth like a pendulum” (de Haas 2012, 8) from ‘optimism’ to ‘pessimism’ and back again. De Haas claims this pendulum has shifted between generalisably positive and negative appraisals of migration’s contribution to development without ever truly settling on the nuanced ‘middle ground’ demanded by the metaphor. Within this narrative, ‘optimism’ is synonymous with neoclassical agency-centric modelling that shaped the emergence of ‘development economics’ in the 1950s and 1960s and the neoliberal resuscitation of these ideals in policy and practice. ‘Pessimism’, meanwhile, is associated with the broad array of neo-Marxist and dependency critiques of systemic labour migration articulated throughout the 1970s and 1980s that are together housed under the banner of historical-structuralism3. De Haas suggests these opposing positions constitute countervailing extremes of the pendulum swing, cancelling each other out as equally unreasonable and pointing to a ‘middle ground’ characterised by the “much more nuanced” (de Haas 2012, 15) reconciliation of structure and agency located in the New Economics of Labour Migration (NELM) developed throughout the 1980s and 1990s.

3 The conflation of neo-Marxist and dependency approaches as ‘historical-structuralism’ is here a reflection of tendencies to do so within the migration-development literature, which situates them under the same umbrella. It should be noted that, independent of the migration-development debate, these are distinct and complex literatures that cannot adequately be consolidated as ‘historical-structuralism’.
This chapter examines the overarching narrative of the migration-development literature with historical and ideological sensitivity, retracing the movements of de Haas's pendulum while exposing the weaknesses of the metaphor and the 'middle ground' it promotes. The chapter follows de Haas's ideas intimately, both because of their prominence in shaping conventional interpretations of the migration-development debate and because of the challenge posed to critical migration theory if their conclusions are accepted as balanced. Reviewing the broad shifts comprising the migration-development debate the chapter examines holistic theories of migration’s impact on economic development and regretfully does not have scope to adequately address the various contributions made to more specific aspects of the migration process, including network (Guarak and Caces 1992), mobility transition (Zelinsky 1971; Skeldon 1990) and systems theories (Mabogunje 1970; Fawcett 1989; Zlotnik 1992). The chapter contests the pretences under which historical-structuralist perspectives have been dismissed and instead locates their diminishing credence within broader ideological delegitimisation under the hegemony of a neoliberal development paradigm ensconced in Washington and post-Washington agendas. Further, it draws attention to the subtle repackaging of neoclassical assumptions embedded in the NELM, critiquing the body of work as a superficial concession to structural concerns that shelters the ontological kernel of neoclassical economics within a more 'nuanced' and reputable guise.

Having followed the mainstream literature to its present manifestation in policy enthusiasm for migration as a mutually beneficial 'triple win', the chapter identifies legitimate shortcomings of historical-structuralism in order to outline a new theoretical direction. Drawing on more recent Marxist revisions of historical-structuralism and the important contributions of Raul Delgado Wise, the chapter illustrates the necessity of analysing class-relations and institutional characteristics to produce a multiscalar understanding of the factors shaping migration-development. Central to this approach is the identification of four theoretical concepts – remittance capital, forced migration, place and status – that address cumulatively causal processes at differing scales of analysis that together instil path dependence on temporary labour migration.
Reviewing the Literature

The Origins of Migration-Development

Ravenstein’s (1885) ‘The Laws of Migration’, provided the first systematic treatment of migration and laid an early cornerstone for neoclassical theories of migration-development. A geographer by background, Ravenstein sought to derive universal 'laws' of migration from British and European census data, generalising seven patterns of internal and international migration that highlighted comparative levels of industrial development and urbanisation as the most decisive factors governing movements of people. Despite reformulating his 'laws' based on observed differences emerging from a later study using European and North American data (Ravenstein 1889), the methodological individualism and economic determinism of the model resonated with the ontological centrepiece of neoclassical economics: rational choice – that individuals exhibit utility-maximising behaviour that can be aggregated to the end of positivistic macroeconomic theorising.

When neoclassical theories of migration took shape in the 1950s and 1960s, following post-war attention to development economics and the observed centrality of rural-urban migration in related processes of 'modernisation' (Lewis 1954), it was Ravenstein’s laws that served as an antecedent to the construction of a 'standard model' of migration (King 2012, 13). Key contributions to the development of a general schema within the neoclassical theory of migration are found in the macro-level analyses of Ranis and Fei (1961) and Lee (1966), the micro-level theory of Sjaastad (1962) and, influential across both levels, the work of Todaro (Todaro 1969; Todaro 1976; Todaro 1989; Harris and Todaro 1970).

Of the early neoclassical models, Lee's (1966) 'push-pull' formulation has been most influential. Lee's hypothesis is that individual decisions to migrate are imperfectly calculated from cost-benefit comparisons of competing 'push' and 'pull' factors, namely: “i) factors associated with the country of origin; ii) factors associated with the area of destination; iii) intervening obstacles; and iv) personal factors” (Lee 1966, 49-50). Factors in countries of origin and destination encompass a broad array of economic and non-economic incentives and disincentives, the balance of which prompts migration when personal perceptions of benefits in the country of destination outweigh their present conditions and the severity of 'intervening obstacles' such as natural inertia, spatial
distance, cost and regulatory constraints (Lee 1966, 50). Lee is most concerned with macro level movements of people, distancing his theory from the domain of rational choice by stressing that individual calculations of the costs and benefits of migration are never exact and always tempered by personal factors that are very often irrational (1966, 49-50). Nonetheless, Lee’s basic premise of push and pull factors shaping migrant decision making paved the way for a more deterministic neoclassical formulation in the work of Todaro.

Todaro, along with Harris in 1970, developed the standard neoclassical theory of migration, in which migration emerges from rational, utility-maximising decision making at the individual level and is aggregated to offer macro level explanations (Harris and Todaro 1970, 127). Specifically, it is hypothesised that migration results from the rational calculation of expected earning differentials between rural and urban employment (or, internationally, between sending and receiving economies). Todaro thus offers a simple behavioural model of micro-level migration decisions that supports the macro-level assumption that migration facilitates an optimal resource allocation of human labour between labour-abundant and labour-scarce regions (Abreu 2012, 51). The model presumes an accompanying flow of capital in the opposite direction (i.e. from capital-abundant to capital-scarce regions) chasing higher rates of return (Massey et al. 1993, 433). Thus, with migration reallocating labour and investment reallocating capital, there is a presumed process of price factor equalization leading to economic convergence between regions. Here migration is unambiguously a central driver of development and, eventually, global economic equilibrium.

The neoclassical model of migration-development is parochial in its identification of price factor equalisation as the mechanism of developmental convergence, providing no room to conceptualise remittances or non-migrant gains (de Haas 2010, 231). Contributions from development theory, then characterised by the paradigm of modernisation, thus complemented the neoclassical framework by fleshing out accompanying benefits of migration grounded in the transfer of remittances – both monetary and social. Migrants were seen as agents of development, capable of accumulating skills and savings through foreign employment, along with sufficient entrepreneurial savvy to commit these assets to productive ends in countries of origin. Such transfers of wealth and expertise were expected to catalyse investment in sending communities, creating employment and
producing multiplier effects within the local economy to precondition 'developmental takeoff' and industrialisation (Beijer 1970). The ensuing belief that widespread migration would entail the mutually-beneficial delivery of rapid economic growth in migrant-sending and migrant-receiving countries thus led to an adoption of pro-immigration policies across the developed and developing world alike (Wickramasekara 2011).

**The Radical Turn**

By the time the neoclassical model of migration matured in the 1970s, a radically opposed 'historical-structuralist' tradition was emerging out of fragmented contributions within the neo-Marxist dependency and world-systems literature. Accompanying a proliferation of economic heterodoxy across the social sciences, and particularly within development studies, historical-structuralists framed migration as an exploitative process bounded by the historically shaped macro-structures of global capitalism deemed to entrench “the development of underdevelopment” (Gunder Frank 1966). The perspective offers no unified theory of migration's relationship with processes of capitalist development, but instead houses a number of critical observations within a broader philosophical consensus that migration is an issue of structure above agency. This distinction is articulated methodologically, in rejecting deductive formalism in favour of an inductive historical approach, and ontologically in dismissing the equilibrium principle as entirely inconsistent with the cumulative causation of inequalities reproduced by global capitalist expansion.

It is possible to distinguish two prominent branches of theory within the diverse contributions of the historical-structuralist tradition: those concerned with the structure of migrant-receiving economies and those addressing the structures of migrant-sending regions (Abreu 2012, 52). Notable contributions to the former (Castles and Kosack 1973; Nikolinakos 1975; Piore 1980; Cohen 1987; Sassen 1988) have emphasised the social and economic demand for cheap and exploitable migrant labour inputs within core economies of the globe, structuring migration patterns as a means of sustaining a reserve army of labour to perform the dirty, dangerous and demeaning work that local workers would rather not perform (Abreu 2012, 52). Meanwhile, drawing on dependency critiques and world-systems analysis, a number of authors (Massey et al. 1993; Portes and Walton 1981; J. Petras 1981; Castells 1999; Morawska 1990) have sought to explain the structural
determinants of migration from the labour-sending regions of the global periphery, emphasising the geopolitical configuration of the world economy and associated mechanisms by which capital in core regions seeks to extract surplus value from the labour (and other resources) of peripheral regions.

Piore, in his development of dual labour market theory, outlines a particularly comprehensive analysis of the conditions within developed industrial economies that structurally necessitate the presence of immigrant labour (Piore 1980). Capital, Piore argues, constitutes a fixed factor of production. If demand wanes it is not capital that ceases to be invested, but labour that is laid off as a variable input. Similarly, there exists a bifurcated labour market of capital-intensive primary workers – who are similarly 'fixed' with stable, well-remunerated and socially-protected jobs – and a vulnerable labour-intensive secondary sector. This secondary sector constitutes the variable factor of production and, as such, is required by capital to be cheap to employ and easy to expend, thus being characterised by precarity. Piore further posits that demand for local secondary labour (i.e. within the secondary sector) cannot be sufficiently influenced by wage adjustment, as socially conditioned and institutionalised correlations between status and pay determine that wage increases for menial employment threaten to rupture the established hierarchy and provoke corresponding wage hikes throughout the economy. Similarly, maintaining motivation amongst local secondary workers is deemed problematic given the lack of status (being relational) gained from working at the bottom of the employment hierarchy. International labour migration allows capital to address both of these issues, by providing a secondary sector workforce willing to accept low wages (thus maintaining the existing wage-status order) and not primarily motivated by the cultivation of status in the local economy (as temporary migrants are assumed to experience status relative to their home communities) (Piore 1980). Moreover, the presence of migrants socially conditioned as a priori inferior is deemed to create a motivating sense of status amongst local secondary workers. Piore accordingly argues that international migration is not simply a cost-benefit decision made by the individual migrant, but rather a structural necessity of the advanced industrial economy. The relevance of this argument is extended into the realm of the post-industrial economy by Sassen (1988, 1991), wherein bifurcated labour markets are recast in relation to the polarisation of modern service economies in global cities.
On the labour-sending side of historical-structuralism, contributions are derived from neo-Marxist theories of development, specifically Frank’s dependency theory and later Wallerstein’s more holistic model of world-systems analysis. Through this lens the relevant units of analysis are not individuals or countries, but core and peripheral regions of production within the world economy and the mechanisms through which this global division of labour is sustained (Morawska 2012). Alongside existing emphasis on systems of trade and capital investment, migration has been framed as a structural process of *unequal exchange* through which core economies exploit the periphery and extract surplus value to entrench historical and geographic patterns of development and underdevelopment (King 2012, 18). In expounding this thesis, Massey (1998; et al. 1993) argues that the penetration of capitalist relations into the (often non-capitalist) global periphery effects disruptions and dislocations within the traditional economy, uprooting populations and catalysing migration (Massey et al. 1993, 445-446). Uneven peripheral development arises from a concentration of foreign capital and trade in urban metropoles, out-competing and progressively undermining the stability of decentralised traditional livelihoods to necessitate internal or international migration to core regions as a survival strategy (Massey et al. 1993, 446). In this sense, the expansion of global capitalism both produces migrants through the reshaping of local economies and re-accommodates them under the exploitative duress of core accumulation processes in urban and foreign milieux.

**A Swinging Pendulum?**

Neoclassical and historical-structuralist perspectives, as archetypal yet diametrically opposed foundations to the migration-development debate, have been popularly portrayed as ‘optimistic’ and ‘pessimistic’ binaries bookending the extremes of migration theory (de Haas 2012). For de Haas, they represent opposing swings of a theoretical pendulum that has oscillated from one extreme to the other – from neoclassical optimism, to historical-structural pessimism, to neoliberal neo-optimism and a potential neo-pessimistic backswing – without coming to rest on a nuanced ‘middle ground’ (2012). Unpacking this metaphor constitutes an important detour in surveying the course of the migration-development literature. It helps explain both the waning legitimacy of historical-structuralism over time and the subsequent repackaging of neoclassical theories as an ostensible ‘middle ground’. Further, exploring this delegitimisation goes some way in accounting for the enduring inability of mainstream migration-development scholarship
to produce a substantive theoretical counterpoint to the migration policy and rhetoric of the post-Washington development agenda.

De Haas rightly identifies neoclassical migration models, and related claims of 'trickle down' development via remittance investment, consumption multipliers and human capital gains, as optimistic (2012, 13). His criticism of the neoclassical position is anchored in its adherence to the linearity of modernisation theory and the axiomatic presumption of positive developmental outcomes, including North-South convergence from factor price equalization – none of which is demonstrated in empirical analyses (de Haas 2010, 3-4). Despite addressing these unrealistic and unmet developmental expectations, de Haas does not extend significant criticism to the ontological rationale of neoclassical economics itself. Although flagging the tendency for neoclassical models to neglect extra-economic factors shaping migrant decision-making (de Haas 2010, 231), there is little critique of rational choice theory or the primacy of income differentials in dictating the 'push' and 'pull' forces from which migration supposedly arises. For de Haas, it is a failure to sufficiently consider the contextual factors and complex social relations surrounding migration that accounts for the undue optimism of neoclassical theory, not the internal logic of the model itself. The opposite is true of his critique of 'pessimistic' historical-structuralist theories, whose deficiency is deemed to be ontological: the alleged disregard for migrants’ agency and social contributions on account of predetermining that migration is unilaterally negative (de Haas 2012, 22). In making this claim de Haas construes historical-structuralist theories as having a rigidity beyond what is articulated within the theories themselves. Structures of capital are ascribed a law-like determinacy quite at odds with the historical inductive methodology that informs such approaches. Oversimplified as such, the historical-structuralist stance appears to make very definitive claims to migration outcomes – e.g. brain and brawn drains, increasing inequality, non-productive remittance use and inflation (de Haas 2007, 5) – that stand to be invalidated by heterogeneous empirical evidence. Thus 'pessimistic' historical-structuralist theories come to represent an equally axiomatic pole to the 'optimistic' neoclassical approach and an opposing swing in the pendulum metaphor.

According to de Haas, “the fundamental question is, therefore, not whether migration has either positive or negative developmental impacts, but why migration has contributed to development in some communities and much less, or even negatively, in others” (2007, 7).
In answer, de Haas argues the need to centre the pendulum on a contextually nuanced approach that can better accommodate the heterogeneous empirical findings that underscore the complex realities of migration. In the NELM de Haas identifies an approach that purportedly avoids the "simplistic opposition between optimistic and pessimistic views" by drawing attention to a diversity of development contexts, the relative constraints within each determining the potential for positive or negative outcomes from migration (de Haas 2012, 15-16). Yet the conclusion that “the extent to which migration can play a positive (or negative) role... fundamentally depends on more general development conditions” (de Haas 2012, 16) tends to corroborate, more than contest, historical-structuralist perspectives. By reducing the critical migration literature to a narrow set of pessimistic expectations de Haas divorces the overarching theoretical emphasis on the spatio-temporal expansion of global capitalism from the accompanying formation of the diverse development contexts he himself identifies as crucial. Historical-structuralists do not contend that migration is a priori negative, but rather recognise that migration is interlinked with, and tends to compound, underdevelopment in peripheral regions of the global economy already disadvantaged by the historical structures of capitalism. It does nothing to obfuscate or diminish the contributions of migrants to their families and communities, but instead provides a coherent and historically-sensitive backdrop in which to ground these realities and the processes of underdevelopment that shape them. It would thus be of little surprise to historical-structuralists that de Haas cites relatively positive migration outcomes in Spain, South Korea, India, Taiwan and Turkey (2012, 19) – semi-peripheral regions where capitalist expansion has historically been tempered by significant periods of protectionism and statist economic policy – and more negative experiences in sub-Saharan and North African countries (2012, 16), where colonialism had barely subsided before neoliberal Structural Adjustment Programmes (SAPs) began.

De Haas's brusque oversimplification of historical-structuralism takes on a normative dimension when viewed alongside his own tacit adherence to neoclassical ontology and identification of the NELM as a natural 'middle ground' in migration theory. In the first instance, de Haas subtly invokes a neoliberal lexicon when privileging the role of individual economic actors, conflating development with “attractive environments in which to invest” (2012, 16) and ahistorically identifying “misguided macro-economic policies, socio-economic inequalities, authoritarianism, corruption and legal insecurity”
(2012, 16) as the primary plights of the Global South. Consciously or not, his portrayal of developing contexts sits comfortably within the ideological parameters of the Washington Consensus and its circumscribed role for the state in providing a 'golden straightjacket' of legal-normative structures in which markets can operate unperturbed (Friedman 2000). In the second instance, the NELM, emerging from the contributions of Stark and others in the 1980s (Stark 1984; Stark and Bloom 1985; Katz and Stark 1986; Lauby and Stark 1988; Stark and Taylor 1989; Stark and Taylor 1991), is far from neutral. Rather, it is a more sophisticated repackaging of neoclassical migration theory (Abreu 2012). Self-styled as a reconciliation of structure and agency in the spirit of Giddens’s structuration theory (1984), the NELM contends that migration is a household strategy to diversify income streams in order to mitigate risk and overcome relative deprivation within a given community (Stark and Bloom 1985, 173). It effectively shifts decision making from an individual optimisation of income, to a household optimisation of risk, e.g. by using migration to hedge against crop failures, price volatility and precarious employment conditions that threaten household income in lieu of sufficient social insurance (Abreu 2012, 54). Migrant households, as with utility-maximising individuals, are assumed to be perfectly rational: it is only the incompleteness of markets and information that constrain decision-making and produce disparate outcomes (Abreu 2012, 55). The NELM’s information-theoretic character is, however, no concession to historical processes of development nor the continuing existence of structural constraints. Rational choice prevails as the fundamental mechanism through which migration supposedly occurs, albeit alongside a more empirically satisfying account of how and why such decisions are made and why remittances are of similar or greater importance to wage differentials.

De Haas’s 'middle ground', then, is less an empirically nuanced resting point of a pendulum swinging between extremes of agency and structure than it is symptomatic of a normative recentering of neoclassical economics within development theory and practice. That de Haas portrays this approach as neutral is particularly worrying. Quite aside from the entire pendulum metaphor constituting a fallacious argument to moderation (wherein natural correctness is conferred upon the middle position between two arbitrary 'extremes'), there is a clear message declaring the contours of reasonable debate too narrow to accommodate critiques of capitalist development. While de Haas echoes the concerns of Kapur (2003) and Castles (2007) regarding the post-millennial neoliberal 'rediscovery' of migration as a self-help developmental panacea (de Haas 2012, 20), he
himself limits the developmental role of the state to “creating a fertile soil where the remittance seeds can be sown and can actually germinate and grow” (de Haas 2012, 20). By this he means, in no uncertain terms, the creation of investment conditions through which migrants can “reap benefits from their inclusion in the capitalist economy” (de Haas 2012, 14). However, the attendant empirical evidence for positive capitalist development—improved incomes, living conditions, human capabilities and investment (de Haas 2012, 16)—is undermined by several neglected considerations. To what extent was uneven capitalist development responsible for creating the conditions of underdevelopment from which such improvements were made? Is there potential for non-market development policies to produce similar outcomes without recourse to migration? Can developmental improvements from migration be understood without consideration of relative gains produced within and between the economies involved? Such questions lie outside the purview of mainstream migration-development, which prefers to see migration as a means of “protecting people from the destabilising and exclusionary effects of absent or ill-functioning markets” (de Haas 2012, 16) attributable to the ‘bad governance’ of the developing world and the bogeyman of non-market development. This is not to imply that there are not serious shortcomings with the existing historical-structuralist approach (which will be addressed shortly), but rather that mainstream migration-development scholars have found it easier to ideologically delegitimise these arguments than engage with their actual limitations.

**Triple Wins: The Post-Washington Rediscovery of Migration-Development**

The revival of neoclassical migration theory in the NELM preceded a proliferation of empirical migration research (Clemens, Özden, and Rapoport 2014) alongside a relative lull in the theoretical aspect of migration scholarship (de Haan 1999). This is partly accounted for by a ‘cultural turn’ in migration studies, towards perspectives originating from “qualitative sociology, anthropology, human geography and cultural studies” that are more concerned with the migration experience than its causes or outcomes (King 2012, 24-25). These empirical studies have tended to be “poorly embedded in more general theoretical frameworks” and somewhat dislocated from broader debates in the migration-development literature (de Haas 2007, 1). This turn is also accounted for by the waning credibility of historical-structuralism, and neo-Marxism in the social sciences more generally, following the Soviet Union’s collapse and the ideological ascension of neoliberal
globalism within the development paradigm (Stiglitz 2003; H. Chang 2003). The rise of the ‘Washington Consensus’ (Williamson 1990) directed academic and policy attention towards issues of trade and economic governance that attributed little importance to migration or remittances, despite an increase in economic displacement arising from the adoption of neoliberal models of development (Delgado Wise 2009, 768; Castles 2013, 124-126). This period of theoretical inactivity ended with the 'rediscovery' of migration-development within an emerging post-Washington agenda taking shape at the turn of the millennium. The Washington Consensus had faced declining legitimacy on account of a growing catalogue of developmental failings under Structural Adjustment Program (SAP) proscriptions (Cornia 2004), necessitating the abandonment of hard-line neoliberal development in favour of a 'softer' approach (Onis and Senses 2005). Within this new doctrine global and regional policymaking institutions enthusiastically recast temporary or 'circular' migration programs, and particularly remittances, as a 'new' mechanism for market-led development via private capital flows and investment.

By the turn of the millennium, global remittances to developing countries began significantly outstripping ODA and rivalling FDI as the main source of foreign capital (World Bank 2011). Identified as a “large and resilient” flow of resources (World Bank 2011, 17), the economic literature on remittances exploded with optimistic appraisals of the potential for remittances to galvanise “human capital formation, investments, poverty and macro-economic stability” (Agunias 2006, 5) within the parameters of market-led, self-help development (Kapur 2003, 10). The dominant theoretical interpretation behind this wave of policy attention is that temporary labour migration constitutes a mutually-beneficial 'triple win' scenario, an idea first put forward by the World Bank (2006a; 2006b) and since syndicated by a number of North American and European migration policy think tanks and financial institutions (Wickramasekara 2011). The argument contends that temporary contract or 'circular' migration (i.e. without permanent settlement) benefits all parties involved by providing migrant-receiving countries with access to foreign labour, migrant-sending countries with remittances and human capital development, and migrants themselves with greater wages and financial stability (World Bank 2006a). It therefore promotes 'managed temporary labour migration' between

---

4 The Washington Consensus refers to a set of economic policy prescriptions backed by the ‘Washington Institutions’ - chiefly the IMF and World Bank – and intended to promote free market development in underdeveloped regions. More generally, it refers to the enshrining of neoliberal economy theories in development policy and practice.
sending and receiving economies to regularise, legalise and capitalise migration (Piper 2010). The relative disparity of the 'wins' involved are not considered. The ready supply of cheap and exploitable workers clearly coincides with the interest of foreign capitalists (Binford 2003), yet the developmental outcomes for migrant-sending countries and migrants themselves are far more tenuous and lack empirical substantiation (Wickramasekara 2011).

What is perhaps most striking about the post-Washington migration-development mantra is both its growing policy-level acceptance and, with notable exceptions (Delgado Wise 2009; Delgado Wise and Covarrubias 2009; Abreu 2012), an absence of attempts to outline comprehensive theoretical alternatives emerging from migration scholarship. The intergovernmental policy salience of managed temporary labour migration is understandable in light of very real wins for influential stakeholders (i.e. migrant-sending country elites, foreign employers and receiving economies in general) in contrast to the curtailment of social, personal and economic losses to the relatively disempowered (i.e. migrants and their families). The lack of alternative theory-building is more difficult to explain. There have, of course, been numerous critical responses to various aspects of current migration-development policy: the disregard of migrant rights, working conditions and abuse inherent to temporary labour migration programs (Piper 2010); the absence of empirical support for remittance-driven development in migrant-sending countries (Binford 2003); the outsourcing of developmental burdens to private individuals (Rankin 2001); the deepening and reinforcing of regional inequalities through transnational exploitation (Phillips 2009). Yet little has emerged by way of a systemic account of the observed inequalities and relative underdevelopment produced and reproduced through systems of temporary labour migration. Van Hear speaks of a diminishing appetite for overarching theories of migration amidst a diversity of migration experiences and outcomes (van Hear 2010, 1535), but contextually sensitive and empirically heterogeneous research need not preclude the possibility of analysing structures and systems too. Rather, such varied and contextually dependent outcomes can and should be understood as constituent of a spectrum of migration-development experiences that are nonetheless situated within complex structures of capitalism.

---

5 The most recent UN High-Level Dialogue on International Migration and Development in 2013 saw a considerable embrace of managed migration policies by labour-sending countries as well as labour-receiving ones. This stands in contrast to greater scepticism expressed by developing economies at the previous dialogue in 2006.
The hesitancy to reconcile structure and agency is not so much methodological as ideological. Legal-normative structures of private property do not of themselves determine the nature of individual ownership; why should socio-economic structures of capital accumulation dictate the nature of individual migrant experiences? The binary opposition of structure and agency has been overstated. As a result is has given weight to a post-structural rendition of migration-development theory whose insistence upon empirical differences vis-à-vis commonalities is conspicuously non-threatening to the hegemonic development ethos. What is sorely needed is a new theoretical approach that has conceptual flexibility to situate diffuse empirical realities within overarching structures of capital accumulation, yet is analytically robust enough to produce a multiscalar explanatory framework for migration's relationship with development. This can be achieved by reformulating the insights of historical-structuralism in a way that: i) redresses an implicit reliance on unequal exchange as an explanatory mechanism of development and underdevelopment; ii) unifies harmonious fragments of the existing approach with relevant institutional insights; and iii) offers a conceptualisation of remittances as reproducing uneven development on local and global scales. The remainder of this chapter outlines the foundations of such an approach.

**Migration-Underdevelopment: A New Theoretical Approach**

**A Question of Development**

It is unhelpful to offer a theoretical understanding of the relationship between migration and development without first presupposing what 'development' itself constitutes. Of course, defining a term as equivocal as 'development' with any degree of specificity is not a straightforward task. There is a substantial literature concerned with such questions and, in light of a stubborn lack of consensus, this thesis makes no claims to a definitive interpretation. What it does contend is the existence of two broad (but not mutually exclusive) typologies of development: capitalist and socially transformative.

From a Marxist position, capitalist development refers to the spatio-temporal expansion of capitalist social relations – i.e. a societal mode of production predicated on the exploitation of commodity labour by capital – resulting in the development of productive forces and the further accumulation of capital (Brenner 1977, 26). For Marx, the spread of
capitalist relations would bring with it the material wealth of capitalist economic development – that this has not occurred evenly points, as Brenner argues, to “the particular, historically developed class structures through which these processes [of development] actually worked themselves out” (1977, 90). It is therefore the uneven expansion of capitalist relations at local and global levels, specifically the extent to which pre-capitalist social relations are transformed or reinforced by historically-specific class struggles that are identified as pivotal in shaping relative disparities in capitalist economic development (Brenner 1977, 27). Thus, macroeconomic development or underdevelopment typically refers to the relative penetration of capitalist class relations and the attendant accumulation of capital bounded within the geography of a given economy. Conversely, socially transformative development refers to a multitude of alternative developmental frameworks (normative or existing) that contest the inequalities reproduced under capitalism. Examples range from revolutionary socialism, to social democracy, economic autarky, anarchy and subsistence production. This distinction is important, as the migration-development debate frames the empirical implications of migration with implicit reference to capitalist development. Despite often existing within or alongside capitalist development (Mies and Shiva 1993; Gibson-Graham 2006), socially transformative development will therefore be ascribed a normative quality. For the purposes of theory, 'development' will hereafter be considered synonymous with capitalist development.

The question of development leads to the most substantial critique that needs to be made of historical-structuralist accounts of migration-development and the dependency and world-systems theories they generally derive from. Both theories locate the fundamental mechanism of underdevelopment in Arghiri Emmanuel's concept of *unequal exchange*, in which trade between peripheral and core regions transfers surplus-value to the effect of making core development contingent on the simultaneous underdevelopment of the periphery (Emmanuel 1972; Petras 1981, 149; Wallerstein 2004, 28). By identifying the root cause of underdevelopment in relations of exchange, rather than production, theories of unequal exchange have attracted pronounced criticism for disregarding the social relations of production and offering an overly abstract simplification of capital.

---

6 A theory put forward by Arghiri Emmanuel in the 1950s, and subsequently adopted by dependency theorists, in order to substantiate the Singer-Prebisch thesis. It contends that the exchange of low value-added (peripheral) products with high value-added (core) products constitutes an exploitative transferral of surplus value from the periphery to the core.
accumulation (Brenner 1977; J. Petras 1981; S. B. D. De Silva 2013). These theoretical shortcomings have been reproduced in historical-structuralist approaches to migration-development (Abreu 2012). Specifically, there is a tendency to portray migration from the periphery as ex ante representing another avenue through which surplus-value is appropriated by the core (Papademetriou and Martin 1991), a position clearly underscored by brain and brawn drain arguments that evoke unidirectional transfers of resources. The inadequacy of these explanations is highlighted by the diversity of individual experiences and developmental outcomes produced by temporary labour migration within and between migrant-sending country contexts. Although an apparent paradox if migration is taken simply as a vehicle for surplus transferral, these observations become intuitive if the uneven and contextually-nuanced expansion of capitalist social relations is taken into consideration. For example, uneven development within a migrant-sending country might undermine traditional livelihoods and catalyse exploitative migration in one region while simultaneously permitting more favourable migration circumstances in another, while creating profits for recruitment agents operating in a third.

**Multiscalar Migration Theory**

What is needed, then, is a conceptualisation of migration as it relates to processes of uneven development on global and local scales. The uneven expansion of capitalist relations on a global scale creates a clear precedent for temporary labour migration as a means of providing exploitable labour for the purposes of capital accumulation across spatially stratified networks of production. The transnational division of labour involves not only the outsourcing of production in pursuit of cheaper and more exploitable wage labour, but also systems of migration that have been established to provide an in situ reserve army of labour for spatially fixed production and services such as care and construction. These movements of labour, rather than simply flowing in the opposite direction to capital (as proposed by factor price equalisation and unequal exchange alike), are shaped both by formal intergovernmental frameworks and informal migration networks. While there is a general 'pull' towards centres of capital accumulation in core economies, migration patterns are significantly tempered by cultural and institutional factors that together shape particular corridors of migration, as often South-South as they are South-North (Katja Hujo and Nicola Piper 2010). At the local scale, migration is
embedded in specific processes of uneven development formed under the historical and geographic expansion of capitalism and its intersection with existing economies of gender, ethnicity and class. The growth of capitalist social relations cannot be divorced from specific histories of colonialism, race and culture – as well as enduring pre-capitalist modes of production – that together shape and reinforce developmental asymmetries and local class struggles. Economic marginalisation arising from local processes of uneven development tends to structure who migrates and under what circumstances, as well as who stands to gain from the economic returns of remitted foreign income. Furthermore, the character of social, political, economic and cultural institutions across different communities significantly influences migration practices, experiences and outcomes.

To extend this Marxian rationale of uneven development into a multiscalar framework for understanding migration-underdevelopment it is necessary to draw on a number of conceptual tools from existing historical-structuralist approaches and complementary insights from institutional economic theory. First, Piore’s analysis of status in receiving economies (1980) needs to be bridged with a complementary account of migrants’ own experiences of status in migrant-sending countries: both the denial of status rooted in the fictitious commodification of their labour (Polanyi 2001) and its material reconstruction through the conspicuous consumption of remittances (Veblen 2009). Second, an understanding of place – representative not only of the geographical manifestation of class and ethno-religious identity, but also the networks and institutions that bind their interactions with the broader economy – is required to adequately account for the heterogeneity of migrant practices within migrant-sending economies. Third, a theory of forced migration indebted to the work of Delgado Wise is necessary to explain internal and international displacements of labour caused by processes of uneven development within those migrant-sending countries. Finally, and most starkly, there is an evident need for a systematic analysis of remittance capital and its macroeconomic implications for economies that have become increasingly dependent upon these flows. These concepts are used to identify cumulatively causal processes at different scales of analysis, from individual agency (status) to local institutions (place) to local structures (forced migration) to global structures (remittance capital), and together comprise Multiscalar Migration Theory as applied to Sri Lanka. Each concept is considered in greater detail below.
Status

In his contributions to dual labour market theory, Piore draws attention to the socio-economic function of status within labour-receiving economies as creating a structural demand for migrant workers (1980). What is overlooked, however, is the accompanying centrality of status tensions as a social mechanism underpinning migration from sending regions. Neoliberalism not only produces forced migration by eroding the decentralisation of decent work, but also confines available employment to the degraded forms of work demanded by 'competitive' export production. This entails a fictitious commodification of labour, in which human labour is 'dismembered' from its social meaning and ascribed a purely economic value within the market economy (Polanyi 2001). The inherent deprivation of prestige in the fictitious commodification of labour – often manifesting in social stigma directed towards the performance of such work – creates a strong incentive to reclaim status through other means. Empirical findings from this research suggest that although temporary labour migration is routinely exploitative and degrading, it often carries prestige amongst sending communities. It is plausible that confining degradation to the socially-invisible vacuum of foreign employment offers migrants an opportunity to avoid stigma and re-author their experiences by constructing status-enhancing narratives of success upon their return.

The conspicuous consumption of remittances augments this notion and suggests that status is itself one of the key incentives for engaging in migration. By invoking Veblen’s concept of pecuniary emulation (Veblen 2009), the ‘construction’ of migrant success can be understood to project a false prosperity that nonetheless encourages further migration amongst those attempting to emulate returnees' apparent wealth. Although Veblen’s overall body of work is far removed from Marxian analysis, pecuniary emulation is complementary insofar as offering a social theory of consumption that can be meaningfully linked to patterns of production and capital accumulation. In doing so, it offers greater practical utility than Marx’s own, more abstract conceptualisation of consumption as the realisation of value necessary to reproduce the capitalist mode of production (Marx 1981). As such, considerations of status demand to be understood as a fundamental social dynamic that – interrelated with processes of uneven development – influence and sustain decisions to engage in temporary labour migration.
Forced Migration

The term forced migration is typically applied to the displacement of populations by conflict or natural disasters, but has been used by Delgado Wise to explain processes of economic upheaval arising from capital restructuring under neoliberalism (Delgado Wise 2009, 768). Here, forced migration relates specifically to the 'de-structuring' of labour, wherein decent living and working conditions associated with local employment are structurally undermined by the centralisation of productive activity (Delgado Wise 2009, 770). The hegemony of neoliberal economic policy has effected a qualitative shift in the developmental role of the state, as protectionism and decentralised industrial policies have steadily given way to efforts to promote industry by attracting FDI in geographically concentrated EPZs. With privatisation and economic deregulation erstwhile undermining traditional and agricultural livelihoods, the declining availability of decent work engenders forced economic migration – both internally and internationally – to centres of production and employment. This economic restructuring finds its roots in local class struggles, wherein neoliberal economic policies promoted under the banner of economic growth have served as a means to extend and strengthen the interests of local capitalists (Harvey 2007). Complementing this emphasis is Ong's observation that neoliberalism is not a monolithic political-economic doctrine implemented in 'top-down' fashion. Rather it is a logic of governing that is assembled from the existing social, cultural and political milieu from which it emerges and – through situations of exception – reconfigures people and spaces to connect with global markets (Ong 2006). These reconfigurations of people and space, often most violent in the case of women and ethnic minorities, are tantamount to forced migration and help explain the processes of uneven development causing migration from and within sending regions.

Place

By analysing the geographic intersection of class, ethno-religious background and local institutions, complex and distinctive migration practices can be identified. This recognition pushes back against tendencies to homogenise temporary labour migrants, as inherent to notions of a uniform ‘reserve army of labour’ as the neoclassical rendering of migrants as homo economicus, and instead emphasises the important locational differences that arise from the contextual specificities of migrant-sending countries. These
locational differences can meaningfully affect who migrates and under what circumstances, which may in turn help explain and analytically situate differing migration outcomes within and between particular migrant communities. Place furthermore evokes a sense of spatial fixity that constrains labour relative to the mobility of capital, here represented by the recruitment agents, sub-agents and labour brokers that together comprise the ‘merchants of labour’. Determining how the merchants of labour exploit the limitations of place and local practices can afford additional explanations for why certain migrant communities appear to fare better than others. Locational differences in the severity of recruitment fees and the extent of migration-related debt suggest that processes of uneven development have, in turn, produced uneven migration experiences that exacerbate underlying disadvantages. In this regard, place essentially serves as an analytical intermediary that expounds the institutional ties between individual migrant households and broader structures of the local economy.

Remittance Capital

Even amongst the more critical pockets of the migration literature there is a frequent identification of remittances as a positive macroeconomic corollary to an otherwise exploitative and socially damaging phenomenon. However, there has been insufficient scrutiny of the role remittances play at the macroeconomic level. Although representing large sums of money in aggregate, remittances are of course dispersed amongst individual households where they tend to perform subsistence and basic consumption functions, alongside financing improvements to housing, education, healthcare and small investments (Piper 2010). While sending governments cannot directly capitalise on these financial flows, the foreign currency receipts from such transactions serve to strengthen the local currency to the end of balancing trade deficits and enabling foreign loaning. Thus, while temporary labour migration is effectively subsidising the productive and reproductive functioning of foreign economies, the remittances received in exchange serve the structural role of financing the continuation of uneven development processes that would otherwise be macroeconomically non-viable. Moreover, artificial strengthening of local currencies through remittance receipts undercuts competitive manufacturing and the potential to re-stabilise the economy through export diversification and associated employment gains. In this sense, labour-sending regions run the risk of becoming remittance-dependent and unable to retract from a structural commitment to foreign
employment without critically destabilising the local currency and the selective processes of capital accumulation it supports. Compounding both of these problems is the observation that those remittances that are conspicuously consumed will tend to represent demand for foreign economies, where typical status goods – particularly consumer durables – are more likely to be sold and manufactured.

Conclusion

This chapter has reviewed the migration-development literature in parallel with de Haas’s prominent interpretation of its central debates, both to contextualise the emergence of ‘post-Washington’ migration policy and to expose the subtle realignment of migration theory within these same ideological parameters. It has specifically drawn attention to the way in which historical-structuralist perspectives have been more readily delegitimised than repudiated, as the resultant positioning of the NELM as a nuanced ‘middle-ground’ represents a subversive threat to critical migration theory. Having then addressed the legitimate theoretical shortcomings of historical-structuralist perspectives, the chapter revisited the underlying Marxian root of historical-structural perspectives to offer a coherent framework in which to reconcile individual realities with economic structures that appreciably shape them. Marxian analysis of the spatio-temporal spread of uneven development examines global patterns of capital accumulation, but also the contextually-specific spread and evolution of capitalist social relations throughout the Global South (Brenner 1977). Emphasising the multiscalarity inherent to this approach, particularly by drawing attention to the importance of geography and local institutions as intermediaries between overarching structures and individual agency, allows for a historical-structural approach that both accommodates and explains a heterogeneity of migration outcomes.
Chapter Two

The Political Economy of Uneven Development and Labour Migration in Sri Lanka

Overview

It is necessary to contextualise the present centrality of temporary labour migration in Sri Lanka – as a livelihood strategy, a recruitment business and a macroeconomic pillar – as the outcome of historically formed political-economic structures of uneven development. Invaded and colonised by the Portuguese, Dutch and British before eventually gaining semi-autonomous government as the Dominion of Ceylon in 1948, Sri Lanka’s economic landscape has been terraformed by structures of imperialism, within which local class formations and a logic of accumulation by subordination have taken shape. The economic subsumption of caste, ethnic and gender relations under postcolonial articulations of nationalism have overseen the preservation of uneven development processes from one epoch to another. The dramatic neoliberal reforms enacted in 1977, following the failures of the preceding ‘closed economy’ period, channelled existing ethnic and gendered discrimination into specific avenues of capital accumulation, entrenching an uneven and exclusionary vision of development that has since become status quo. It is against the backdrop of this neoliberal restructuring that temporary labour migration has taken root as one of a limited number of livelihood strategies for populations geographically and demographically excluded from development.

This chapter will outline the macroeconomic shifts propelling Sri Lanka to its current political-economic juncture, and situate the role of labour migration within it. The chapter does this by examining the historical processes of uneven development that took root under colonialism, were ineffectually contested under postcolonialism and found revitalisation under neoliberalism. The first section examines the formation of class relations and capital accumulation under colonialism, specifically examining the rationale and structural limitations of the plantation sector as Sri Lanka transitioned into a politically-contested postcolonial economy. The second section focuses on economic reconfigurations following the 1977 neoliberal turn, examining how Sri Lankan
neoliberalism was assembled from its own social milieu and appropriated the logic of accumulation by subordination first exercised under colonialism. The third section addresses labour migration more specifically, by examining the changing demographics and policy responses to migration since its widespread emergence in the late 1970s.

**From Colonialism to Postcolonialism: Terraforming Class, Ethnicity and Gender**

**Colonialism and Class Relations**

The modern political-economy of Sri Lanka cannot be understood independently of its history with colonialism. Overlapping waves of colonial invasion by the Portuguese, Dutch and British have altered the structure of Sri Lanka’s social and economic institutions: the traditional monarchy was progressively undermined by military incursions and the entrenchment of foreign administration within southern coastal regions; extraction economies arose around the regional trade of cinnamon, gems and agricultural produce; and, under the British, tea plantations\(^7\) were established as a central feature of the economy. The last and most enduring of these shifts, from exploitation by extraction to exploitation by production, is a defining feature of British imperialism as a more explicitly capitalist form of colonialism (McNally 2006). Cumulatively, these transformations reorientated political and economic power towards the southern port cities of Colombo and Galle whilst cementing semi-feudal agricultural production in rural regions that were once at the centre of Sri Lankan life. The enduring salience of rural-urban asymmetries suggests that uneven development has been largely path dependent on the historical restructuring of the economy in accordance with colonial interests. However, the legacy of colonialism is far more complex than the changing geography of economic and political life. The logic of imperial capitalism demands a reconfiguration of the social relations of production in order to facilitate the capital accumulation for which it exists. In Sri Lanka this did not entail a comprehensive adoption of capitalist social relations, but rather the strategic assimilation of the existing mode of production – including its ethnic, gender and caste divisions – into capitalist production.

---

\(^7\) Coffee plantations were initially established under British occupation, but suffered from massive crop failure after the spread of disease. Tea plantations were established as an alternative, which proved to be much more successful.
It is important to acknowledge that Sri Lanka (as with much of the colonised world) was never a 'colony' in the strictest sense of the word given the absence of a true settler population (De Silva 2013, 53). De Silva makes a crucial typological differentiation between settler colonies – either the creation of 'new' European settlements such as Australia and the USA or the permanent settlement of Europeans in existing colonial territories as per South Africa and Zimbabwe – and non-settler colonies where colonisation is undertaken “by capital rather than with men” (De Silva 2013, 51). In the latter instance, European colonisers exist only as a minority population in search of financial gain from a short-lived ‘foreign stationing’, endured through indulgence in the comforts afforded by racial and material status, before returning to their homeland (De Silva 2013, 54). Underdevelopment, he argues, has been most acute in these non-settler colonies. Colonialists' lack of a personal stake in the occupied territory meant that capitalist social relations need not be developed beyond the extent demanded by investment in resource extraction and primary production from which profits could then be repatriated (De Silva 2013, 54). Moreover, without a significant population of Europeans in non-settler colonies, narrowing the formation of capitalist social relations to produce a local bourgeoisie, complicit in and dependent upon the colonial project, was tantamount to prudent governance (Jayawardena 2000, xx). What emerges in Sri Lanka, as elsewhere in the colonised world, is the emergence of an incomplete capitalist transformation characterising “a twilight world, neither wholly feudal nor capitalist” (Jayawardena 2000, xxiii).

In Sri Lanka, colonisation by capital entailed the strategic reordering of existing social hierarchies within structures of production. A carefully cultivated local bourgeoisie was drawn from favoured populations: those across ethnic and caste divisions willing to collaborate with the colonisers and, more particularly, those intermarried with Europeans (the Burgher population8). The Sri Lankan bourgeoisie was encouraged to develop its initial wealth via rentier incomes derived from semi-feudal agricultural production, such as fishing and gaming, paddy cultivation or – most lucratively – distilling arrack9 (Jayawardena 2000, xxii). The later introduction of coffee and tea plantations preserved this semi-feudal mode of production by employing indentured labour and resisting

---

8 Sri Lankan Burghers are a distinct ethnic group originating from intermarriages between Dutch, Portuguese and British settlers and local Sinhalese and Tamil populations.

9 A liquor distilled from the sap of coconut palms. Sri Lanka is the world’s largest producer of arrack, the trade of which was a main source of merchant activity under Dutch and Portuguese colonisation.
productive innovation (i.e. maintaining exploitation independently of increases to relative surplus value extraction) and served as a further source of rentier income for the local bourgeoisie (De Silva 2013). These rents were gradually used to underpin the development of a subsequent source of income derived from merchant capitalism. The Sri Lankan bourgeoisie invested heavily in land (both rural estates and rapidly appreciating urban dwellings), local enterprise, shares and bonds, jewellery and other ‘safe’ assets (Jayawardena 2000). Constrained by the colonial economy’s lack of import restrictions or adequate credit facilities, and by a predilection to pre-capitalist norms and displays of wealth, the bourgeoisie was definitively not of an entrepreneurial or industrial character (Jayawardena 2000, 131). Thus, without investing in industry or further developing capitalist relations of production, the existence of the Sri Lankan bourgeoisie served to cement the uneven development of the economy, entrenching semi-feudal rentier production within rural agriculture whilst amassing, and insularly reinvesting, capital within the confines of the domestic urban economy.

To a great extent, the existing caste hierarchy was destabilised by the limited formation of capitalist class relations. Whereas production had previously been organised around the occupational assignments of the caste system, the opening up of trade and merchant activity under the Dutch created new and relatively lucrative avenues of employment hitherto unattributed to any caste designation (Jayawardena 2000, 166). As economies of extraction and trade under the Dutch gave way to more explicitly capitalist relations of production fostered under British rule, caste hierarchies began to fracture under the expansion of these new employments and the polarisation of wealth they produced. While the ideology of caste relations endured insofar as status and prestige remained attached to caste designation, the emerging reality of class relations meant that the newly rich of higher caste backgrounds – such as the goyigama (paddy cultivators) or karava (fishers) – would by no means participate in traditional occupations (Jayawardena 2000, 168). Indeed, while a majority of the bourgeoisie were drawn from these high caste backgrounds, prosperous rentiers, landowners and merchants emerged from an array of caste and ethnic backgrounds (Jayawardena 2000, 63). As such the bourgeoisie was not merely a reincarnation of elite castes under capitalism, but the construction of a new social order predicated on class but interrelating with the complexities of caste, ethnic, gendered, religious and sectarian difference (Gunasinghe 2011, 151). Yet the limited size, geographical concentration and generally ‘unproductive’ character of the Sri Lankan
bourgeoisie meant that wealth creation was dependent on, and reinforcing of, the uneven structures of the colonial economy. More specifically, the construction of the urban bourgeoisie was contingent upon the entrenchment of semi-feudal agricultural production and urban proletarianisation amongst those caste members left behind.

**The Colonial and Postcolonial Plantation Economy**

The plantation sector demands particular attention as a key aspect of Sri Lanka’s colonial and postcolonial economy. The plantations have been highly influential, both on account of their importance in exacerbating structural processes of uneven development in Sri Lanka and for the precedent they set in strategically exploiting ethnic and gendered divisions for the purposes of capital accumulation.

While capitalist social relations did extend to produce an urban working class in and around Colombo, this nascent proletariat was predominantly Sinhalese, in contrast to the concentration of 'Indian Tamils' performing indentured labour in the plantation sector (Gunasinghe 2011, 152). Initially brought over from Tamil Nadu by the British while the plantations were being established in the 1820s (S. F. De Silva 1948, 142), the Indian Tamils are distinct from the native 'Sri Lankan Tamils' and were ethnically subordinated as a segregated and exploitable labour force without political representation. The semi-feudal nature of production within the plantations was ensured by the strategic recreation of South Indian caste relations: Indian Tamils of higher castes were given relatively better jobs and lodgings within the plantation, whilst lower castes performed the most labour-intensive work and lived further afield (Jayawardena and Kurian 2015). The subordination of women under traditional patriarchal arrangements was likewise mirrored within the plantation communities, with social order constructed upon the disproportionate concentration of productive and reproductive labour amongst Indian Tamil women, who typically undertook all of the actual coffee and tea picking. The subsumption of ethnicity and gender by capital thus sustained growth and accumulation within the plantation sector, providing a lucrative source of investment for colonialists and the local bourgeoisie alike. Tea soon became Sri Lanka's largest and most valuable export commodity, yet the realisation of profit and subsequent economic development it enabled necessarily occurred in local or foreign metropoles and not the plantation communities themselves, where the buttressing of discriminatory social relations to preserve semi-feudal
conditions ensured the suppression of labour. The growth of Sri Lanka's plantation economy thus reinforced existing processes of uneven development, entrenching indentured primary production in the rural hinterland to provision capital accumulation in Colombo and, to a greater extent, Britain.

Beyond intensifying the structures of uneven development erected through colonial occupation, the plantation sector has endured as a defining feature of Sri Lanka's macroeconomic landscape. Upon gaining semi-autonomous government under dominion status in 1948, Sri Lanka (Ceylon until 1972) inherited an economy with little productive activity outside of the primary sectors developed under colonialism. Tea, rubber and coconuts – all produced under plantation conditions – together accounted for 90 percent of the island's exports (Kelegama 2006, 20). While the plantations provided fairly lucrative profits for the existing capitalist class, the acute disparities between an elite urban minority and the impoverished rural majority could only be sustained by channelling trade surpluses into an extensive welfare system developed under colonialism (Kelegama 2006, 56). Sri Lanka thus claimed its independence within a macroeconomic dilemma, wherein the public expenditures required to sustain and reproduce exploitative labour arrangements prevented investment in agricultural or industrial export diversification, leaving the economy dependent on primary commodity production (Kelegama 2006, 39). Post-independence trade surpluses financed expansionary welfare programmes responsible for producing standards of living higher than elsewhere in South Asia (Winslow 2004, 33), including the universal provision of free education, healthcare and food stamps. However, despite a brief spike in demand for rubber owing to the Korean War, tea and rubber prices rapidly declined in relation to imported goods over the following decades and engendered a distinct deterioration in terms of trade (Indraratna 1990, 1). Matters were worsened by the increasing fiscal burden of politically intractable food subsidies, with rising world market prices for rice meaning that by the mid-1950s the government was spending more on the provision of staple foods than on developmental projects (Winslow 2004, 33). A rapidly growing population, insufficient employment generation and an inability to achieve self-sufficiency in food production ingrained a structural trade deficit and a need for foreign development aid that, though in decline, remains to this day (World Bank 2016).

Yet the legacy of the plantation economy is not confined to its role in Sri Lanka’s trade
problems; it is also notable for setting an influential precedent for capital accumulation by way of ethnic and gendered subordination. In leveraging the cultural subjugation of Indian Tamils (and particularly Indian Tamil women) to maintain a semi-feudal workforce whose mistreatment garnered little political traction, the British effectively mapped out a blueprint for wealth creation that has since been reproduced in varying contexts and become the defining dynamic of Sri Lanka’s uneven development. This logic of accumulation by subordination differs importantly from its kindred concept, accumulation by dispossession (Harvey 2003). While accumulation by dispossession refers to the manner in which dispossession facilitates capital accumulation, accumulation by subordination refers to the mobilisation of social and cultural discrimination to legitimise and maintain that state of dispossession for the purposes of continued accumulation. In the case of the plantations, the Indian Tamils were already dispossessed by economic upheavals in India and their subsequent displacement to Sri Lanka, only to then be subordinated within Sri Lanka, culturally and socially, in order to preserve their exploitation within ethnicised semi-feudal production.

The forging of Sri Lanka’s post-independence identity has largely occurred within the ideological parameters of patriarchal ethno-nationalism, through which the Sinhalese majority has applied the logic of accumulation by subordination to construct economic and social advantages over women and ethnic minorities (Withers and Biyanwila 2014). The economic ramifications of patriarchal ethno-nationalism have been exacerbated by neoliberal restructuring that mobilised patriarchal rhetoric to subordinate women (particularly of minority ethnic backgrounds) at the lowest tiers of export production in the plantation sector, garment manufacturing and labour migration. Together, women working in these three spheres of economic activity have backboned modern Sri Lanka’s export economy and facilitated processes of development in which (as with the colonial plantation system) their political and economic interests have been conspicuously absent. Meanwhile, economic discrimination along ethnic lines was an underlying cause of Sri Lanka’s civil war and remains a salient dynamic in the exploitative post-war reintegration of Tamil majority provinces and recent incidences of ethnic violence targeting Muslim communities and businesses.

Before turning to the specific ways in which ethnic and gendered discrimination has been economically structured following Sri Lanka’s dramatic turn to neoliberalism, it is
necessary to delineate the shifting political and cultural backdrop of the postcolonial economy leading up to the 1977 economic reforms.

**The Postcolonial Politics of Patriarchal Ethno-Nationalism**

Sri Lanka's macroeconomic problems coincided with a deepening of ethnic and gendered discrimination as a core feature of postcolonial state formation. Competing articulations of Sri Lankan nationalism in the wake of crumbling colonial order prompted a conservative patriarchal ethno-nationalist backlash, voiced chiefly by those previously complicit in the colonial project and vested in the preservation of its structures of oppression for their own social and economic standing.

One facet of patriarchal ethno-nationalism has been the emergence of a highly combustible political tension between the majority Sinhalese population and the minority Tamil population. During the British occupation, Sri Lankan Tamils were favoured for high-skilled and bureaucratic work locally and across the empire (Spencer 1990, 1). The disproportionate number of Tamil professionals contributed to ethnic tensions. With a paucity of government jobs within the post-independence administration, the majority Sinhalese called for its 'rightful share' of official employment and, as Sinhala-Buddhist nationalism gathered steam, the enshrining of Sinhalese as the only official language of Sri Lanka (Spencer 1990, 2). The latter objective was realised in 1956 when the People's United Front (MEP), a pro-Sinhalese coalition led by Solomon Bandaranaike and the Sri Lanka Freedom Party (SLFP), defeated the reigning United National Party (UNP), formed government and passed the 'Sinhalese Only Act'. The Act served as a catalyst for rioting in the Tamil provinces and escalating ethnic tension (Nissan and Stirrat 1990, 35). Although communal violence calmed after 1958, the economic shortcomings following Bandaranaike's assassination in 1959\(^\text{10}\) encouraged an increasingly partisan and unstable political landscape. Bandaranaike's widow and successor, Sirimavo Bandaranaike, allied with the Marxist Lanka Sama Samaja Party (LSSP) and championed policies of economic nationalism, while the UNP pandered to business interests and cultivated a liberal economic agenda. The electorate was polarised and a decade marked by failed coups and political unrest ensued. Despite this political rift, ethnically discriminated resource

---

\(^{10}\) Bandaranaike's assassination was apparently motivated by a monk's outrage over earlier attempts to compromise with the Tamils (Wilson 1977).
allocation was ubiquitous. As political allegiance to dominant parties increasingly
determined access to jobs, finance, welfare and higher education, Tamil populations found
themselves heavily disadvantaged or marginalised entirely (Nissan and Stirrat 1990, 36).
Both SLFP and UNP governments were determined to concentrate public resources
amongst the Sinhalese population, whose electoral majority was such that Tamil votes
were rendered negligible despite the presence of Tamil political parties (Winslow 2004,
34).

A second facet of patriarchal ethno-nationalism has been the social and economic
subordination of women of all ethnic backgrounds. Women's experiences of productive
labour during the postcolonial period have been, in general, heavily circumscribed by the
patriarchal assertions of bourgeois Sinhalese Buddhist men seeking to define and relegate
women's lives within the domestic sphere. This has entailed what Malathi de Alwis
describes as “the idealisation of womanhood signified through the construction of the
'respectable lady', the repository of tradition and domesticity, based on a valorisation of
motherhood: as the creator and protector of the home, as the chaste and industrious wife
and as the iconic representation of the nation” (1996, 139). Such rhetoric has been used to
bolster the ideological construction of a sexual division of labour that locates masculinity
in the performance of productive labour and femininity in the performance of care and
reproductive work (Gamburd 2000, 186). In actuality, women's labour in the plantations
and nascent textile industries – devalued jobs constructed as essentially feminine work –
represents a stark fact of Sri Lanka’s postcolonial economic development. With gender
discrimination restricting employment in skilled and bureaucratic positions, women's
working opportunities were confined to exploitative (and ethnically demarcated)
industries portrayed as an extension of reproductive labour: textile production, tea
picking and domestic work. This contradiction between women's socially ascribed care
roles and working realities has been consistently reproduced in the neoliberal era too, but
for present purposes illustrates the continuity of a bluntly gendered logic of accumulation,
alongside and in conjunction with ethnic subordination, between colonial and postcolonial
settings.

Despite the growth of patriarchal ethno-nationalism as a vehicle for accumulation,
political and economic volatility soon threatened the stability of Sri Lanka’s postcolonial
development. The United Front's victory during the 1970 national elections and the
commencement of Sirimavo Bandaranaike’s second term as prime minister saw a reorientation of economic policy in response to deteriorating terms of trade. The socialist coalition, led by Bandaranaike’s SLFP, advocated a closed-door economic policy that intended to improve socio-economic equality through nationalisation, protectionism and import substitution within industry and, later, agriculture (Indraratna 1990, 1). Importantly, this shift towards autarky accounts for Sri Lanka’s relatively late entry among the group of South Asian nations sending cheap migrant labour to West Asia. While other governments were keen to ‘outsource’ their unemployment to West Asia in the early 1970s, Bandaranaike’s government was concerned with addressing Sri Lanka’s economic woes without recourse to external solutions and placed severe restrictions on temporary labour migration (Eelens, Mook, and Schampers 1992, 2).

Political fragilities were exposed during the JVP insurrection in 1971, when an armed revolt led by Marxist youths disenchanted with Bandaranaike’s lack of revolutionary direction nearly toppled the government (Amarasinghe 2000; Jayawardena 1985). Despite regaining political control, economic matters worsened when in 1973 the global oil crisis provoked a sharp increase in the price of Sri Lanka’s main imports – petroleum and petroleum-related products – relative to its small stream of predominantly agricultural exports (Winslow 2004, 36). The continued imposition of strict trade restrictions in a context of underwhelming domestic production soon manifested in a scarcity of many basic foodstuffs and consumer goods that, in turn, proved conducive to corruption and public discontent (Eelens, Mook, and Schampers 1992, 2). Sri Lanka’s political and economic crises intensified by the mid-1970s and left the government on a precarious footing, rapidly losing public credibility through the imposition of strict rationing quotas and burgeoning unemployment (Kottegoda 2004, 58). Sri Lanka was left on the brink of collapse. Patriarchal ethno-nationalism had cemented itself as the ruling logic of social and economic life, but the closed economy was no longer a viable vehicle for its articulation as a developmental project.

**Sri Lankan Neoliberalism**

In 1977, following delayed elections and dwindling popularity, the Bandaranaike government was ousted in a landslide victory to the UNP, now headed by J. R. Jayawardene. Promising dramatic economic liberalisation as a panacea for the
macroeconomic quagmire of failed import substitution industrialisation under the closed-economy, the UNP advocated a policy platform that represented only the second experiment in neoliberalism worldwide\textsuperscript{11}. The structural impact of these reforms has since seen 1977 interned in popular consciousness as a pivotal turning point in Sri Lanka’s social and economic history. The 'open economy' story spans the formation of Sri Lanka’s modern economic pillars, the interrelated beginnings of an epoch-defining civil war and continues to define the current 'post-war' developmental context. Indebted to Aihwa Ong’s (2006) conceptualisation of neoliberalism as an assemblage (i.e. a variegated logic of governing shaped at the intersection of local contexts and global markets, rather than a monolithic or uniform process of economic transformation), the following section analyses the specific character of Sri Lanka neoliberalism and its revitalisation of accumulation by subordination. It details the dramatic political-economic restructuring that took place following the 1977 elections and situates within these shifts the intensification of uneven development processes that exploit and exclude along and across class, ethnic and gendered divisions. These processes are explored in relation to the economic expressions of ethnic violence bookending the civil war, the reorientation of capital accumulation within export processing zones and the garment industry, and the burgeoning growth of temporary labour migration. It is no coincidence that the employment of Sri Lanka’s working-class is almost entirely accounted for by the armed services, garment manufacturing and temporary labour migration (Shastri 2004, 85). All three trends reproduce the same mechanics of accumulation by subordination and uneven development enshrined in the plantation economy: the calculated exploitation of disempowered populations to underpin capital accumulation for an insular bourgeois minority.

Jayawardene’s election as prime minister was swiftly followed by the passing of a new constitution that transferred his leadership to the executive post of president. Utilising additional legislative powers conferred to the presidency, Jayawardene oversaw the implementation of a package of free market policies that rapidly deregulated and privatised the Sri Lankan economy. A floating exchange rate was adopted, import and migration controls were dismantled, the banking system and credit supply was substantially deregulated, and blueprints were laid down for a large export processing

\textsuperscript{11} Following Pinochet’s 1973 US-backed coup in Chile, Sri Lanka was the next country to implement far-reaching neoliberal reforms before the popularisation of those economic policies in the UK and US. It represents an oft-overlooked case study in the development of neoliberalism in practice.
zone just north of Colombo in Katunayake (Richardson Jr. 2004, 4). This geographic reconfiguration of production was accompanied by the simultaneous abandonment of decentralised state-run industries, curtailing the provision of local employment opportunities for rural populations and particularly for women hitherto working within village workshops established by the national handloom industry (Kottegoda 2004, 63). The rural poor were further disadvantaged by the abolition of rice subsidies, on which the country had relied since independence and the undermining of public healthcare and education by the rise of privatised alternatives (Gunasinghe 2011, 179).

Yet these free market reforms were not paired with a typically neoliberal fiscal stance. In a bid to galvanise the economy for export production the new government channelled massive capital expenditure into agriculture, industry, housing and infrastructure projects (Richardson Jr. 2004, 48). Though successful in stimulating short-term growth and a marked increase in low value-added industrial exports, government expenditures were largely financed by developmental aid, international loans and foreign exchange receipts earned from remittances. Together, these sources of capital represented a new web of macroeconomic dependencies and constraints (Richardson Jr. 2004, 51). Thus the early boom accompanying Jayawardene’s liberalisation program was short-lived. By 1982 government debt had tripled, inflation was high and trade deficits – no longer safeguarded by import restrictions – were increasing rapidly. Debt servicing took up a growing portion of government revenue and precipitated heavy cutbacks to already strained developmental and welfare projects, while spiralling inflation caused ongoing reductions in real wages and the post-independence trend towards distributional equality began reversing under intensified capital accumulation (Indraratna 1990, 3; Richardson Jr. 2004, 54–57).

The new macroeconomic tensions of Sri Lankan neoliberalism produced and sustained three broad and interrelated trends: increasing ethnic violence and the wartime economy, internal migration to find work in the urban export economy, and countrywide recourse to international migration as a livelihood strategy. All three structural shifts were fundamentally catalysed by the rationale of centralising economic activity in select urban settings of the Sinhalese-majority Western Province. As Kelegama notes, “the development of industrialisation that emerged after a decade of liberalisation was very much lopsided with less diversification and was highly urban-based. Out of the industrial exports nearly
60 percent originated from the textile and garment sector and 70-80 percent of the industry in output terms was concentrated in the Western Province” (2006, 202). Neoliberal development continued to exclude the Sri Lankan Tamil population clustered in the north and east, but also fostered incendiary ethnic tensions amongst economically disaffected Sinhalese poor, many of whom in turn found military employment as the armed services swelled during the civil war (Shastri 2004, 85). For the rural Sinhalese population, diminishing local employment opportunities betwixt the feminisation of urban export manufacturing dramatically reconfigured the working lives of young women, large numbers of whom began migrating internally to support themselves and their families by labouring in the growing garment industry. Similarly, the pervasive decline of rural livelihoods alongside the relaxation of migration policies engendered growing temporary labour migration to West Asia. Women, in particular, were departing in large numbers, both deterred by the deepening stigma surrounding garment work and incentivised by high demand for migrant domestic workers following India, Pakistan and Bangladesh’s recent prohibition of female migration (Eelens, Mook, and Schampers 1992, 5). In path-dependant fashion these broad structural trends have matured since the 1977 turn to become increasingly embedded features of the Sri Lankan economy: ethnic violence has eventually resolved as a post-war strategy of accumulation by dispossession; feminised (and more recently ethnicised) manufacturing has become entrenched as a key export industry; and the remittances received from labour migration have comprised an ever-greater slice of the foreign exchange earnings financing trade deficits and loan repayments.

**Ethnic Violence and the Open Economy**

The causality between economic restructuring in 1977 and the outbreak of civil war in 1983 is contested in Sri Lanka, complicated by the existence of competing and highly politicised interpretations of accountability for the conflict. Sri Lanka’s macroeconomic problems during the neoliberal period are often attributed to the war, an assessment made particularly compelling when considered in light of post-war investment and the tourism boom along Sri Lanka’s south-west coastline. Some have gone so far as to claim that mass temporary labour migration to West Asia was itself a response to the war (Sriskandarajah 2002). But while the emigration of Tamil refugees has unambiguously been linked to the war, data from the Sri Lankan Bureau of Foreign Employment (SLBFE)
clearly demonstrates that large-scale temporary labour migration of Sinhalese and Muslim populations began almost immediately after migration restrictions were lifted in 1977 (SLBFE 2012). In a similar vein, arguments that the war impeded economic development tend to lose credibility when confronted with more substantiated evidence that the 1977 economic reforms aggravated existing ethnic tensions (Richardson Jr. 2004). While the Tamil population continued to experience discrimination within the open economy, so too did the Sinhalese poor endure material hardships. Living amidst polarising class relations, but without the ethnically-entitled patronage of the state-regulated economy, many working-class Sinhalese developed an acute sense of relative deprivation (Gunasinghe 2011, 11). Popular discontent was not directed at the state, partially because the state’s economic accountability was concealed behind the supposed impartiality of the free market and partially due to violent repression of the labour movement (Biyanwila, 2011). Discontent was instead readily lent to ethnic antagonisms being stirred by unscrupulous politicians (Manor 1984; Tambiah 1986) and Sinhalese capitalists struggling against Tamil and Muslim businesses benefiting from transnational trade connections after the removal of import restrictions (Gunasinghe 2011, 195). Thus, despite only two notable ethnic clashes in the 60 years prior, the 1977 elections preceded six years of incessant ethnic rioting and culminated in the 1983 Black July riots that left up to 3000 Colombo Tamils dead, left thousands more internally and internationally displaced, and catalysed the commencement of civil war (Gunasinghe 2011, 176).

The war itself was undeniably harmful for Sri Lanka’s economy insofar as it deterred FDI, disrupted the tourist economy and prompted huge swaths of GDP to be earmarked for military expenditure over public investment (Kelegama 2006, 136). However, the rapid growth of the armed forces also acted as an economic safety valve providing mass employment for the same economically marginalised Sinhalese men left politicised by their relative deprivation in the wake of neoliberal reforms. Indeed, alongside export manufacturing and migration, the armed services formed (and remain) one of three major avenues of employment in the post-1977 economy (Shastri 2004, 85). The wartime economy was thus sustained through the contradiction of its own inception; class antagonisms and unemployment produced under neoliberalism were vented through the conflict they helped create and so obfuscated deep-seated macroeconomic frailties. Acute class inequalities were therefore maintained throughout the conflict, even if the war itself curtailed the extent to which investment and accumulation could be undertaken by local
capitalists. In 2009, a bloody and unilateral end to the war eased these constraints and paved the way for 'post-war reconstruction' in the manner of accumulation by dispossession. Unwilling to demilitarise its 200,000 strong army – both for reasons of structural unemployment and the forceful preservation of Tamil subordination – the Sri Lankan government has since overseen investment in retail franchises, tourist developments and the planned opening of new industrial parks and export processing zones (JDI 2011). Given that capital investment in the north and east is typically sourced from outside these regions, the state appears complicit in preserving ethnic fractures by transitioning military conquest into economic subjugation.

The Gendered Economy of Export Production

The 1977 reforms entailed significant reconfigurations of the nature and extent of women's participation in paid employment (IPS 2013a), with female labour force participation rates jumping markedly despite 40,000 job losses associated with the decline of the local handloom industry (Kottegoda 2004, 63). This increase is given meaning by the creation of several EPZs that centralised garment manufacturing in urban areas, most prominently the Katunayake and Biyagama EPZs located just outside of Colombo (Sivananthan 2008), as part of the government's concerted attempt to further integrate the labour of young Sinhalese women into global production networks. The geographical reconfiguration of the economy around urban export production reinforced existing patterns of uneven development by undermining rural employment opportunities and necessitating internal migration to EPZs in order to find work.

Yet the defining feature of this new avenue of accumulation was its specific subordination of a gendered (and more recently ethnicised) workforce. A sexist rhetoric of 'nimble fingers' (Elson and Pearson 1981) was mobilised alongside existing patriarchal parameters to construe garment work as an extension of household care work, and thus the domain of women's work in form and in function. Patriarchal notions of what constitutes 'appropriate' work marginalise a majority of Sri Lankan women from better paid work in high-growth and professional industries, irrespective of qualifications and educational attainment (Gunatilaka 2013, 3; Kotikula and Solotaroff 2006, 3-4). At the same time, this rhetoric ensures that women remain over-represented in the most labour-intensive, poorly-remunerated occupations that together comprise the backbone of Sri
Lanka’s export economy (Kotikula and Solotaroff 2006, 3). In the post-war period this has been compounded by ethnic discrimination, as Tamil women fleeing poverty in the underdeveloped north – many of whom are internally displaced persons – have been integrated into the garments industry on unequal terms (Fernando 2013). Tamil women working in the Katunayake EPZ have been seen to experience discrimination in terms of employment and working conditions, while their segregation from Sinhalese women is reportedly being used by employers to shore up ethnic tensions and undermine attempts at collective bargaining (Fernando 2013, 21).

A contradiction thus emerges, wherein social constructions of women as bastions of reproductive labour are fractured by the reality of a sexual division of labour that situates women as breadwinners working within the most exploitative tiers of production. Women constitute approximately 85 percent of all employees within Sri Lanka’s EPZs (Department of Labour 2010), while also comprising the majority of estate workers within tea and rubber plantations (Kotikula and Solotaroff 2006) and, until very recently, the majority of temporary labour migrants (DCS 2012). Tea and garments alone account for over half of all Sri Lanka’s trade earnings, while migration brings in remittances equivalent to 66 percent of exports (CBSL 2016). A patriarchal mode of production, formalised under colonialism and restructured through neoliberalism, has curtailed women’s economic life to the performance of menial labour in circumscribed spheres of work: indentured to plantations, exploited in factories or without rights within the private homes of foreign employers (Withers and Biyanwila 2014).

While the extent of women’s participation in these avenues of employment is substantially tempered by religious background, with notably less participation in the domestic workforce from Muslim and Christian women (Gunatilaka 2013, 11), what is fairly universal are the long hours, low-wages and lack of labour rights typically associated with the feminisation of export production as a cheaper, more ‘competitive’ alternative to unionised male labour (Standing 1989; Standing 1999). Despite the adverse conditions of women’s employment and its significance for the export economy, women’s increased participation in productive employment has politicised tensions between socially ascribed work and care roles. Young women working in garment factories are pejoratively branded *Juki girls* or *Juki pieces* (in reference to a common brand of sewing machine), connoting disposability and sexual promiscuity with the inference that work and urban life has
compromised the chastity and respectability that women are expected to embody as symbols of the nation (Lynch 2007, 10). Women are thus subordinated, materially and culturally, as an exploitable mainstay of productive and reproductive labour.

**Temporary Labour Migration: Foundations of the Remittance Economy**

Another dramatic reconfiguration of economic life under neoliberalism is found in the beginnings of temporary labour migration to West Asia. In addition to liberalising labour migration itself, the Jayawardene government privatised the role of the Foreign Employment Unit (established by Bandaranaike just a year earlier), allowing recruitment agencies to proliferate within a loosely regulated system of migration practices (Gamburd 2000, 51). Local and regional contexts conspired to make recruitment a lucrative business. Oil-driven accumulation in the Persian Gulf had created huge surpluses and attendant demand for migrant labour to perform the manual work necessitated by infrastructural expansion and the domestic labour sought by increasingly wealthy Arab households (Eelens, Mook, and Schampers 1992, 5). At the same time, declining rural livelihoods and the lack of decent work generated under neoliberal patterns of accumulation left much of the Sri Lankan population predisposed to meet such demand – particularly women, whose opportunities were greater due to the excess demand created by the prohibition of female migration amongst other labour-sending countries (Eelens, Mook, and Schampers 1992, 5).

While foreign incomes for both sexes could outstrip local wages, the increasing costs of recruitment fees meant that agencies, sub agents and brokers – the merchants of labour – were accumulating significant wealth while migrants themselves faced difficulty financing their placements abroad (Eelens and Speckmann 1992). These escalating financial obstacles, paired with the well-documented physical and psychological hardships of indentured employment in West Asia (ILO 2010), speaks to temporary labour migration’s emergence as a survival strategy pursued less by choice than by necessity. Meanwhile, the state itself benefitted greatly from increasing departures. Temporary labour migration circumvented pressure to generate employment locally, stymieing potentially destabilising political and economic tensions, while remittances brought in foreign exchange “urgently needed to sustain the economic policies of the UNP government” (Eelens, Mook, and Schampers 1992, 4). By effectively deferring the contradictions of
uneven development, the structural dynamics of temporary labour migration have safeguarded the continuation of accumulation by subordination elsewhere in the economy.

This chapter has so far situated the political economy of Sri Lanka’s uneven development in historical perspective. It has drawn attention to the uneven expansion of class relations under the structures of colonialism and, specifically, the plantation economy, wherein the economic subsumption of ethnicity, caste and gender established a precedent for accumulation by subordination that was later replicated under neoliberalism. Tracing the macroeconomic limitations and political upheavals of the postcolonial period, it identified Sri Lankan neoliberalism as a contextually-specific outgrowth of those circumstances and situated within it three new avenues of accumulation by subordination: the war and post-war economy, export production and labour migration itself. Having identified the structural conditions from which temporary labour migration has proliferated as a livelihood strategy, the remainder of the chapter will address the demographics of Sri Lankan migration and the evolution of government policy approaches.

Managing Migration: Demographic Change and Policy Responses

The Demographics of Migration

Migration, both of labour and of political refugees, has been an increasingly prominent feature of post-independence Sri Lanka. In particular, the late 1970s and early 1980s can be identified as a period of pronounced out-migration in both respects, with Sri Lankans migrating temporarily to the Persian Gulf to meet burgeoning demand for cheap labour or resettling in the West in order to escape growing sectarian violence. These parallel streams of migration also have distinct ethnic characteristics, with the vast majority of refugees having come from the island’s Tamil minority, whilst labour migrants have historically been of Sinhalese or – especially in relation to population size – Muslim background (Eelens and Schampers 1992, 29). Surveying the demographic shifts within both these categories of migration, including the more recent influx of Tamils into processes of temporary labour migration, offers an important reflection of the changing social and economic dynamics of Sri Lankan migration.

In short, the 1977 neoliberal turn and commencement of full-blown civil war in 1983
served as catalysts for labour and political migration respectively (Gamburd 2000, 30). Since that time, capital transfers originating from both channels of migration have endured as economic mainstays in regional and national contexts. Increasing steadily since the 1980s and rapidly since the 1990s, recorded remittance transfers currently account for 66 percent of all Sri Lanka’s export earnings and 8.5 percent of total GDP (CBSL 2016). Moreover, though its migrant labour force is quite small in absolute numbers, Sri Lanka has had a consistently high percentage of its total population working abroad. In 1983 labour migrants constituted 1.3 percent of the total population, markedly higher than anywhere else in Asia (Eelens, Mook, and Schampers 1992, 3). The most recent figure of 1.7 percent stands second only to Pakistan. With imports invariably outstripping exports, remittance income has become a key source of foreign reserves and a widely-acknowledged macroeconomic remedy to Sri Lanka’s unfavourable Balance of Payments scenario (IPS 2012, 142). However, despite the ubiquity of remittances themselves, the demographics of migration have altered substantially over time. Such shifts have simultaneously reflected and shaped Sri Lanka’s developmental trajectory and warrant careful examination. One of the most striking changes has undoubtedly been the proliferation of the Tamil diaspora and the capital transfer associated with it. Though distinct from the focus of this research, diaspora activity needs to be considered owing to its significance in Sri Lanka’s migratory history and ongoing developmental troubles. As such, a brief overview of the Tamil diaspora will precede a more detailed examination of the demographic shifts within labour migration itself.

The Tamil diaspora formed its roots long before 1983. The migration of well-to-do students and bureaucratic professionals prior to 1956 and the Sinhalese Only Act had created Tamil enclaves first in Malaysia, Singapore, India and Britain, but also in Australia, the US and Canada in subsequent decades (Gamburd 2000, 30; Spencer 1990, 1–2). By the outbreak of civil war, the UNP’s economic liberalisation programme had created lax regulatory conditions that, in turn, enabled foreign supporters of the Liberation Tigers of Tamil Eelam (LTTE) to channel funds into Tamil regions (Shastri 2004, 88). Such capital transfers voluntarily or involuntarily acquired from the Tamil diaspora – often through political organisations embedded within such communities, such as the Federation of Associations of Canadian Tamils (La 2004, 381) – should be distinguished from the

---

12 United Nations Population Division (2009). Figures were much higher between 1983 and 2010 (peaking at 2.7%), likely on account of a swelling Tamil diaspora.
predominantly unidirectional remittances of labour migrants. Generally sent by informal means, and often channelled through front businesses or charities, these remittances typically served two purposes: funding LTTE military operations (La 2004, 381) and providing subsistence to otherwise destitute Tamil communities in war-torn regions (Shastri 2004, 89). Given the agricultural, industrial and infrastructure destruction typical of these conflict zones, it is suggested that there was little local absorption of capital, with the beneficiaries of remittance-driven consumption instead seeking to invest in a more stable environment elsewhere in the diaspora (Sriskandarajah 2002, 297). Despite this circulatory and non-productive flow of remittances from the Tamil diaspora, the importance of such capital transfers cannot be overlooked. The ability for the Tamil community to draw capital from abroad – the sum of which is estimated to have comprised almost 40 percent of Sri Lanka’s total remittances by 1999 (Sriskandarajah 2002, 295) – no doubt played an important role in prolonging the civil war, thus ensuring the government’s continuing prioritisation of military expenditure over developmental projects.

Temporary labour migrants, on the other hand, have historically originated from Sinhala-Buddhist and, relative to population size, Muslim and Sinhala-Catholic communities outside the regions affected by civil war. Previous studies have indicated that Muslims are four times more likely to emigrate than other Sri Lankans living in Colombo, owing to West Asian employers’ demand for workers with a compatible religious orientation (Mook 1992, 115), while there appears to be a similar bias to Sinhala-Catholics on account of their monotheistic beliefs (Spaan 1992, 98; Gamburd 2000, 62). More recently, Tamils have also begun migrating for foreign employment in growing numbers, having previously been excluded from regular temporary labour migration due to the effects of the civil war. Major urban centres in the Northern and Eastern Provinces have shown the greatest increase in migrant departures in recent years (SLBFE 2012), despite a relative lack of government training and administrative outreach to these communities.

However, the most striking feature of Sri Lanka’s labour migration is the historically large number of women involved in the migratory process. Though early statistics are somewhat unreliable and reported estimates at times conflicting, there is a consensus that women accounted for roughly 70 percent of all labour migrants by the mid to late 1980s (Eelens, Mook, and Schampers 1992, 5; Gamburd 2000, 35). The commencement of mass
labour migration from Sri Lanka coincided with other South Asian labour-sending nations implementing morally or religiously driven policies to retract housemaids from foreign employment, at a time when the demand for domestic workers in the West Asia was growing steadily (Eelens, Mook, and Schampers 1992, 5). Consequently, the demand for housemaids increased dramatically and Sri Lankan women – many frustrated by the lack of domestic employment opportunities within a rapidly liberalising economy or stigma in the garments industry – were quick to take up these positions (Gamburd 2000, 37; Mook 1992, 121). Male labour migrants from the same period were principally low-skilled workers temporarily employed as construction labourers on projects in the Gulf region. Though male workers were in a clear minority during the 1980s, there has been a trend towards the de-feminisation of migrant labour flows since the mid-1990s (IPS 2012, 144). This is likely the result of sustained demand for construction workers in West Asia, as reflected by increasing numbers of low-skilled male migrants, but also a consequence of government-imposed age restrictions on women migrants and social backlash against young mothers’ involvement in domestic worker migration (IPS 2012, 145). Irrespective of fluctuating gender patterns, however, is the enduring prevalence of low-skilled workers. Despite government programs to bolster skilled migration, low-skilled workers (including housemaids) still account for 90 percent of all labour migrants (CBSL 2016).

**Government Policies towards Labour Migration**

In Sri Lanka, as in other South Asian labour-sending nations, the advent of mass migration to West Asia created a new area of focus for government policy-makers. As is typical of the region, Sri Lanka’s initial response was centred upon the protection of migrant workers’ rights and working conditions, regulation of the recruitment process and, in more recent years, strategies to encourage the migration of skilled workers. What is also typical, however, is the economic competition ingrained in such policies. With South Asian labour-sending nations in direct competition to meet West Asian demand for exploitable workers, there has been little effort to establish cooperative responses to the protection and regulation of temporary migrant labour (Eelens and Speckermann 1992, 41). Thus, while Sri Lanka’s policy towards labour migration has ostensibly attempted to address issues of worker exploitation, the ideological primacy of labour migration as an economic strategy suggests that the formalisation of migrant flows has been an implicit and over-arching policy objective. This is not to imply that policy objectives have not evolved over time.
Though invariably stemming from the intention to harness labour migration as an economic asset, government policy has tended to reflect the wider shifts in economic philosophy borne from the UNP and SLFP’s political dialectic. Broadly speaking, policy has evolved from an initially *laissez faire* stance, to a more active regulation and promotion of labour migration after the establishment of the SLBFE and finally towards the rhetorical promotion of skilled labour flows as a new direction for harnessing migration-development.

**Responses to the Initial Migrant Boom**

Temporary labour migration to West Asia began to increase dramatically in the mid-1970s, as the closed-door, anti-immigration policies of the reigning SLFP began to weaken due to mounting political pressure. In 1976, Sirimavo Bandaranaike’s government responded to the situation by establishing the Foreign Employment Unit in the Department of Labour, enabling the state to directly assist in finding employment opportunities abroad (Gamburd 2000, 51). Only a year later, following the UNP’s victory in the 1977 election, this activist stance was supplanted by policies advocating the use of private agencies to facilitate labour migration (Eelens and Speckermann 1992, 41; Gamburd 2000, 51). In keeping with the UNP’s commitment to a neoliberal reconfiguration of the national economy and the privatisation of state functions, recruitment practices were placed under the auspices of market mechanisms. This early shift towards privatising recruitment created a new, lucrative source of capital accumulation within the Sri Lankan economy and instigated a path dependency that has made profit-motivated recruitment practices the norm ever since. While regulation has progressively tightened and government bodies have been active in training certain categories of prospective migrants, agents and sub-agents remain the ultimate facilitators of temporary labour migration.

Shortly after the privatisation of recruitment practices, the sheer growth of labour migration – and, indeed, of recruitment agencies – necessitated some administrative intervention. This came first with the signing of a Memorandum of Understanding which obliged agents to provide copies of completed recruitment contracts to the Commissioner.

---

13 Registered recruitment agencies increased from 125 in 1978 to 525 by the end of 1980 (Eelens and Speckermann 1992, 44).
of Labour and divulge information regarding any commission received from the foreign agency they worked with (Eelens and Speckermann 1992, 42). The agreement also required agents to register at the Department of Labour and pay a nominal annual fee of Rs 10 for a recruitment licence (Eelens and Speckermann 1992, 42). These early measures were consolidated in 1980 with the Foreign Employment Act no. 32, which enabled the government to further monitor and control the recruitment practice by supervising agents and holding them financially accountable for problems arising in the course of foreign employment. This effort to extend basic protection to migrants was complemented by the opening of new embassies in principal labour-receiving nations, including Saudi Arabia, Kuwait and the UAE (Gamburd 2000, 51). As previously mentioned, however, the lack of international cooperation amongst labour-sending countries meant that diplomatic provisions could only afford limited support to migrants and certainly had little bearing on living standards or working conditions. Moreover, even the modest amount of protection afforded by government monitoring of recruitment practices only extend to those migrating through licensed recruitment agencies, not the significant portion of migrants reliant on unofficial channels (Eelens and Speckermann 1992, 48).

**The Sri Lanka Bureau of Foreign Employment**

The single most significant change to Sri Lanka’s regulation of labour migration came in 1985, with the establishment of the SLBFE. After the passing of the eponymous Act no. 21, the SLBFE took over the regulation of foreign employment from the Department of Labour and outlined nine broad objectives to shape national policy towards labour migration:

1. Develop markets and promote opportunities abroad;
2. Support, license, and regulate agencies;
3. Ensure standards on contracts;
4. Train migrants;
5. Collect data on migration;
6. See to the welfare and protection of Sri Lankans abroad;
7. Give information and guidance to the families of migrants;
8. Make investments for Sri Lankans living abroad; and

(SLBFE Act 21 of 1985, section 15)
While this envisioned role for the SLBFE is commonly discussed in terms of greater regulation and control over the migration process (Eelens and Speckermann 1992, 42), there is also an explicit indication of the government’s intention to actively endorse temporary labour migration as an economic strategy. By 1985, a total of US$265 million was being remitted annually from West Asia alone (Eelens, Mook, and Schampers 1992, 4), amounting to a sizeable portion of Sri Lanka’s vital foreign exchange earnings. Debt accrued during the establishment of the liberalisation program was mounting and the formalisation and promotion of labour migration revealed itself as one means of amassing the currency reserves needed to finance repayments. That economic imperatives, rather than humanitarian or social agendas, were at the heart of the SLBFE is further suggested by vocal criticism of the bureau in the early 1990s. The SLBFE was lambasted for failing to regulate agencies, thus allowing agents to mislead and overcharge clients, as well as neglecting to adequately protect or train migrants (Dias and Weerakoon-Gunawardene 1991). Anecdotal evidence confirms this claim, with numerous migrants reporting that they had to pay substantially more than the supposed Rs 2700 fee cap implemented with the creation of the SLBFE (Eelens and Speckermann 1992, 53). The net verdict was that, while working to promote foreign employment, the SLBFE was doing very little to regulate it (Gamburd 2000, 52).

In early 1994, in response to the ongoing criticism, the UNP government proposed a number of substantial amendments to the SLBFE, including an increase in charges, tighter regulation of agencies and a more proactive stance in training, registering and insuring potential migrants (Gamburd 2000, 52). The actual introduction of these reforms took place incrementally under the guidance of the newly elected People’s Alliance (led by the SLFP), who brought an end to the UNP’s 17 years of uninterrupted rule. In early 1995 compulsory regulation of migrants came into effect and, assisted by an SLBFE migrant monitoring program in Katunayake International Airport, succeeded in drastically increasing compliance with regulation – both amongst migrants and recruitment agencies (Gamburd 2000, 52). The ensuing formalisation of the recruitment process and heightened revenue from increased fees financed the free issuance of Jathika Suraksha, the SLBFE’s foreign employment insurance policy, to all registered migrants (Gamburd 2000, 53). The implementation of a national training and certification program for housemaids was also undertaken, aimed at preparing and protecting first-time maids, while concurrently
adhering to the SLBFE's overarching goal of increasing the reputability of Sri Lanka's migrant labour force (Gamburd 2000, 53). By 1997, the SLBFE broadened its aspirations to encompass the provision of low-interest bank loans for migrants and the standardisation of contracts, but encountered structural resistance: banks were unwilling to provide collateral-free loans to perceived 'high-risk' borrowers, while discriminatory labour laws in migrant-receiving Gulf countries impeded the ratification of standardised contracts. Thus, while tangible steps had been taken to improve the lot of migrant workers, the formalisation process was geared more towards ensuring the smooth and continuing export of temporary labour as an economic asset, consequently deepening macroeconomic dependency on remittance earnings.

The Current Approach: Promotion of 'Skilled' Labour Migration

Over the past decade the economic salience of temporary labour migration has increased substantially, reflected by a dramatic increase in both migrant outflows (SLBFE 2012, 3) and remittance income as a percentage of net export earnings (IPS 2012, 141). During this same period, the prevailing philosophy of actively promoting foreign employment has similarly intensified, culminating in the creation of the Ministry for Foreign Employment Promotion and Welfare (MFEPW) in 2007. The ministry oversees the function of both the SLBFE and the Sri Lanka Foreign Employment Agency (SLFEA), whose role involves exploring and catering to skilled job markets abroad, and operates in alignment with the government's policy commitment to "make every effort to be a provider of globally employable, competitive human capital" (MFP 2006, 176). Under the MFEPW's guidance, policy emphasis has shifted away from the formalisation of the migration process – an objective largely attained, with the exception of rampant sub-agent malpractice (ILO 2013a) – and towards efforts to reshape the composition of Sri Lanka's foreign labour force. There is a pervasive sentiment, both within the MFEPW and SLBFE itself (MFEPW 2012; SLBFE 2012) and amongst broader governmental and independent economic assessments (MFP 2006; IPS 2012), that Sri Lanka must transition from supplying low-skilled to skilled workers in order to achieve greater developmental outcomes from temporary labour migration. Ubiquitously framed in the reductionist language of supply and demand, there is a perceived under-supply of skilled foreign workers in the same West Asian countries to which Sri Lankan workers have historically migrated (IPS 2012, 146). With approximately 70 percent of Sri Lanka's labour migration classified as
‘unskilled’ (MFP 2006, 179), there is a widely recognised ‘underutilisation’ of skilled labour migrants (IPS 2012, 146). Though the desire to curtail low-skilled labour is frequently discussed in reference to the growing catalogue of social ills associated with mass migration of female domestic workers, the underlying assumption behind refocusing on skilled labour migrants is unanimously predicated on the expectation of increased wages and – by extension – a net increase in remittances (SLBFE 2012, iii; IPS 2012, 146; MFP 2006, 179; MFEPW 2008, iv).

The importance of skilled migration in contemporary policy discourse has also borne serious implications for the protection of migrant workers. While the MFEPW has worked closely with the ILO in compiling the National Labour Migration Policy and states a commitment to “promote opportunities for all men and women to engage in migration for decent and productive employment in conditions of freedom, equity, security and human dignity” (MFEPW 2008, 7), there is limited discussion of how such an outcome can be achieved for low-skilled workers. Indeed, the protection of low-skilled workers is framed in much the same light as it was in earlier decades, i.e. hinging on the presence of Sri Lankan diplomatic missions in labour-receiving nations, the pursuit of bilateral agreements and memoranda of understandings, and the need to further monitor the recruitment process at home (MFEPW 2008, 10). The enduring nature of migrant abuse in spite of the prolonged implementation of these strategies does, however, cast doubt over the efficacy of such measures. In sum, the MFEPW concludes that in light of continuing human rights abuses endured by low-skilled workers, “the ultimate protection to all migrant workers is the possession of skills” (MFEPW 2008, 10). Similar rhetoric about the “limited bargaining power” of low-skilled vis-à-vis skilled labour is found from the SLBFE (2012) and together with MFEPW policy initiatives aimed at “securing employment opportunities for skilled workers in safe and regulated work environments” (MFEPW 2008, 10) represents a tacit conflation of migrant training and migrant protection. Indeed, the mission statement of the ministry highlights “the development of skills as a main and effective means of protection for migrant workers and their families” (MFEPW 2008, iv). In doing so, however, it also represents a weakening policy resolve towards defending the rights and working conditions of the vast majority of migrants who remain firmly within the low-skilled category. In practice, recent SLBFE activity reports indicate a prioritisation of compensatory measures over worker protection, while – contrary to stated policy intentions – pre-departure training programmes remain predominantly tailored to low-
skilled vocations (MFEPW 2012).

The economic imperative of obtaining greater remittances appears to outweigh the government’s commitment to both skilling and protecting migrant workers. At a migration policy symposium held in 2014, the secretary of the MFEPW spelt out the government’s explicit intention of increasing annual remittances from the US$6.4 billion received in 2014 to US$10 billion by 2016 (IPS 2014). In order to achieve this target, several policy tools were highlighted, including the recent mandate by the SLBFE that all migrant domestic workers must attain a National Vocational Qualification (NVQ) Level Three certificate prior to migration. The outcome of the three week course – which covers housekeeping, food preparation, personal hygiene and care for children, the infirm and the elderly (SLBFE 2015) – was deemed a necessary step in ‘re-branding’ Sri Lankan domestic workers as ‘domestic housekeeping assistance’, a move in-turn designed to attract higher wages and therefore increased remittances (IPS 2014). This ‘upskilling’ is effectively symbolic, as the NVQ course content differs in no discernible way from existing two week pre-departure training conducted by the SLBFE (GIC 2015), and belies the government’s intention of profiting further from ‘exporting’ Sri Lankan labour for the West Asian ‘market’. The explicit rhetoric of labour commodification expressed during the symposium is congruent with the SLBFE’s recent adoption of the nationalistic term rativiru (lit: migrant hero), both an echo of the language of migrant heroism employed in the Philippines (Guevarra 2010) and an allusion to the local term ranaviru (lit: war hero). This labelling homogenises a diverse migrant population as an economic army doing duty for Sri Lanka and offers symbolic dignity to placate the dehumanisation inherent to the fictitious commodification of migrants as human exports. The government’s lack of genuine resolve in addressing the training and reintegration of migrant workers – particularly in the majority Tamil Eastern Province, where there is an insufficient distribution of migrant support and training services (SLBFE 2012) – further exposes the remittance-centric logic underpinning existing migration policy despite rhetorical commitments to skilled labour migration.

The prevailing paucity of skilled migrant workers is, beyond government policy, indicative of a structural shortage of skilled labour in Sri Lanka’s domestic workforce (SLBFE 2012, iii). The Rajapaksa government’s development manifesto specified an acute need to address Sri Lanka’s low-skill and largely informal workforce and foster skilled labour in
order to facilitate envisioned industrial diversification, service sector growth and overall international competitiveness (MFP 2006). The incumbent Sirisena government maintains this concern. Supporting this emphasis on producing skilled labour, the Institute of Policy Studies (IPS) observes a discrepancy between emerging industrial and service opportunities and a lack of skilled labour to fill these potential jobs (IPS 2012, 76). However, the IPS also notes an inherent strain in developing a skilled labour force at home and abroad; with the rate of foreign employment outstripping domestic employment growth, there is an appreciable challenge in retaining an adequate number of skilled workers within Sri Lanka itself (IPS 2012, 87). This is problematic, not only for internal economic development, but for the macroeconomic impact of remittances. Even optimistic understandings of the remittance-developmental nexus contend that the retention of skilled workers is a decisive factor in a nation’s ability to translate remittances into output growth (Abella and Ducanes 2007), thus exposing a fundamental tension within Sri Lanka’s policy objective of simultaneously encouraging skilled labour formation in national and international contexts. Despite the IPS’s acknowledgement that policies promoting skilled labour migration “will need to be re-evaluated” (IPS 2012, 87), the current lack of policy discussion rings true to Abella and Ducanes’s warning that “expectations of large remittances make it easier for the policymakers to avoid or postpone making hard and painful decisions” (Abella and Ducanes 2007, 75). With remittance earnings playing an increasingly vital role in financing Sri Lanka’s substantial trade deficit, the re-framing of migration policy in terms of attaining dramatically increased annual remittances by increasing labour migration to West Asia – skilled or otherwise – appears to confirm the presence of a deepening remittance-dependency.

Conclusion

This chapter has reviewed Sri Lanka’s history of uneven development in order to contextualise the emergence of temporary labour migration and background the macroeconomic conditions against which its developmental implications play out. Sri Lanka’s increasing reliance on foreign employment has been identified as a logically consistent outgrowth of these historical structures of uneven development and the interrelated rationale of accumulation by subordination. Examining the asymmetrical spread of capitalist social relations under successive colonial occupations, it has argued that an important precedent was set during British imperialism, wherein ethnic and
gendered discrimination was leveraged as a basis for establishing and legitimising the exploitation of marginalised populations. Accumulation by subordination was first exercised under a semi-feudal mode of production in the estate sector (and prevails today), was resuscitated under market conditions following Sri Lanka’s neoliberal turn and embrace of EPZ production, and rekindled again as developmentally excluded populations began migrating to West Asia for work. The central role of neoliberal policies in catalysing and entrenching these movements of labour is examined, entailing successive efforts to regularise and promote temporary labour migration, including current efforts to encourage skilled migration to the detriment of the vast majority of migrants that do not fulfil this description. Complementing the theoretical review of Chapter One with a careful examination of the empirical context of the study, this chapter concludes Part One of the thesis and prefaces the discussion of fieldwork findings that follows in Part Two.
Part Two

Empirical Research and Fieldwork Findings
Chapter Three

Research Aims and Methodology

Overview

Temporary labour migration is a livelihood strategy deeply embedded in processes of uneven development, participated in by a diverse population of Sri Lankans originating from different geographical locales, ethno-religious groups and socio-economic classes. The causes, experiences and outcomes of migration for individuals in one community are often very different from those of another. To speak generally of the conditions and experiences of migration within migrant-sending economies like Sri Lanka is to homogenise such countries without giving sufficient consideration to the complexity of social and economic life within their borders. Recognising the fundamental importance of Sri Lanka’s diffuse realities – shaped and reshaped by its unique history of colonial and postcolonial subordination – this study employs mixed methods research amongst returned migrants from four demographically diverse communities from different geographic locales. Accounting for gendered, ethnic, religious and geographic differences allows for an investigation of temporary labour migration that accommodates the spectrum of experiences forged by social topography and tempered by individual circumstance. It gives weight to the significance of local economic, political and cultural institutions (themselves arising from uneven development) in determining differences at each stage of the migration process: at pre-departure, during migration and upon reintegration. Multi-sited fieldwork, augmented by a pragmatic mix of quantitative and qualitative questioning and triangulated with key stakeholder interviews, thus allowed for an investigation of: i) how structures of uneven development shape the causes and outcomes of migration; ii) the significance of institutional differences across migrant communities; and ii) the extent to which notions of status are embedded within migration practices. It aligns with the broader theoretical orientation of the study by reconciling the structural influence of underdevelopment with an institutional sensitivity that acknowledges a heterogeneity of migrant experiences borne from class, ethnic and gender antagonisms that manifest geographically.
This chapter outlines the methodological approach adopted by the study. It begins by offering a more detailed explanation of the interlinking theoretical claims, research aims and fieldwork considerations that pragmatically informed the use of multi-sited, mixed methods research. It then reviews the design and implementation of the research tools adopted in the study, from survey and interview construction to sampling method, data collection and subsequent analysis.

From Theory to Fieldwork

Research Rationale

The migration-development literature has tended to regard ‘migrant-sending’ and ‘migrant-receiving’ countries as dichotomous generalisations, typically equating the former with uniformly underdeveloped economies of the Global South and the latter with advanced capitalist economies of the Global North. However, a growing recognition that international migration is in fact as often South-South as it is South-North has begun to destabilise this representation (Hujo and Piper 2010). The homogeneity of ‘migrant-sending’ and ‘migrant-receiving’ economies has been deconstructed through an emphasis on differentiated and transitioning migration regimes that encompass a diversity of immigratory and emigratory flows (Castles and Miller 2007), yet this lens offers little to unpack the internal complexities of economies like Sri Lanka that remain resolutely labour-sending. The overarching aim of this research is to produce a more sophisticated analysis of the developmental contradictions underpinning these ‘remittance economies’. Theory has played an explicit role in informing a contextually-sensitive methodological approach that captures locational and demographic differences embedded within the broader structural features of Sri Lankan temporary labour migration. Recognising that historical processes of uneven development have in turn produced uneven migration, the fieldwork design reflects the importance of examining the diverse reasons for, experiences during and outcomes of foreign employment in order to better understand the intricate relationship between migration and development.

Chapter One outlined a multiscale theory of migration, through which the complexities and contradictions of remittance economies can be understood. A multiscale theory, by its very nature, demands an accompanying research methodology that can uncover
meaningful findings at multiple levels of analysis. If temporary labour migration’s 
relationship with uneven development is to be understood on global and local scales it is 
equally important to contextualise the internal dynamics of migration as it is to gather 
macroeconomic data. This observation directly shaped the decision to employ a multi-
sited research strategy that could account for key locational and demographic differences 
produced by processes of uneven development. It similarly warranted the use of a mixed 
methods approach that allowed for the procurement of quantitative migration data while 
simultaneously accounting for a diversity of lived experiences that together comprise the 
intricate social realities of migration across different contexts. A multiscalar focus also led 
to the incorporation of two distinct phases of research: a primary phase comprising of a 
large number of mixed methods surveys with returned migrants of various backgrounds 
and a secondary phase involving a smaller series of in-depth interviews with key 
stakeholders in order to triangulate location-specific findings for countrywide 
significance. Together these research design imperatives produce a sequential explanatory 
strategy, where quantitative data and qualitative reflections from diverse migrant 
communities are collected in tandem during the first phase, before deeper qualitative 
insights to explain the initial findings are gathered through a second phase of research 
(Creswell 2003, 215).

Within this general approach, three of the theoretical foci of the Multiscalar Migration 
Theory framework – forced migration, place and status – translate into overarching 
research questions that span the migration process from departure to reintegration. To 
what extent has uneven development engendered forced migration into urban and 
international employment? How have locational differences and specific migration 
practices shaped the conditions and outcomes of foreign employment? How have 
degraded conditions of local employment affected notions of self-esteem and does 
migration offer an opportunity to reconstruct social status? These three questions form a 
multiscalar line of enquiry into the migration-development nexus in Sri Lanka, assessing 
the structural causes, social institutions and individual pressures of systemic labour 
migration across micro, meso and macro contexts. As conducting primary research at each 
of these levels is practically infeasible within the scope of the study, returned migrants 
serve as the sole participatory demographic for the first phase of fieldwork, their lived 
experiences during pre-departure, migration and reintegration offering insights into 
temporary labour migration as an individual, institutional and structural process.
The fourth theoretical foci – *remittance capital* – could not be addressed directly through interviews with migrant returnees, as it concerns macroeconomic outcomes of temporary labour migration that are not sufficiently captured by small-N survey data. Triangulation in the second phase of research is therefore a vital step in allowing detailed household-level findings to be extrapolated in relation to Sri Lanka’s greater developmental context, discussed in Chapters Seven and Eight.

**A Note on Mixed Methods**

Existing studies of labour migration and household remittance consumption in Sri Lanka have almost unanimously adopted a quantitative methodology embedded in a positivistic approach to social scientific research (Warnasuriya, Gamage and IPS 2014). This study explicitly adopts a mixed methods approach in order to produce a more interpretive and explanatory understanding of migration’s relationship with development. Some justification of this decision is required. A mixed methods approach to research in political economy acknowledges the importance of collecting informative quantitative data without overlooking the necessary contribution of qualitative methods in assisting to embed economic enquiry within social reality. Beyond mitigating the limitations of purely qualitative or quantitative approaches and their respective epistemological claims, it encourages methodological pragmatism that prioritises the selection of methods that are tailored to specific research aims rather than preconceived truth claims (Tashakkori and Teddlie 2010). For the purposes of this study a mixed methods design offers the possibility to construct an explanatory research strategy that seeks to establish quantifiable migration and development trends while interpreting the social, cultural, political and economic significance of these patterns through the lived experience of migrants themselves (Creswell 2003). Implementing a mixed methods approach nonetheless entails a unique set of challenges derived from collecting, analysing and interpreting what are ostensibly inconsistent categories of data to inform a single study (Voils et al. 2008, 5). However, a well-conceived mixed methods procedure – with distinct strategies for data collection, analysis and interpretation – can overcome this methodological disconnect and synthesise both categories of data in a way that resonates with the overall aim of the research (Tashakkori and Teddlie 2010, 9). With research objectives clarified and the suitability of a mixed methods approach established, the specific design and implementation of the research strategy will now be discussed.
Fieldwork Design and Implementation

First Phase

The first phase of fieldwork involved conducting mixed methods surveys amongst male and female returned migrants from four distinct communities across Sri Lanka, each representing developmental and demographic differences.

Question Design

The design of the survey (see Appendix) provided an opportunity to scrutinise the migration process holistically while probing empirically-discernible aspects of the research questions emerging from the study's theoretical framework. Consideration of forced migration, place and status is reflected in a combination of closed and open-ended questions concerning individual reasons for pursuing foreign employment, the financial and social costs and benefits of migration, patterns of remittance consumption and personal reflections on the entire experience. The overall emphasis of the study was to assess the degree of change in circumstances experienced by migrant households before, during and after migration. While an ideal research method would involve a longitudinal study – employing a baseline survey with prospective migrants and a separate impact assessment several years later following their return from foreign employment – obvious time and resource constraints made this infeasible. A more pragmatic alternative was to conduct an assessment of change by individual recall, in which participants are asked to recollect their attitudes and circumstances prior to, during and after migration. While this approach to questioning necessarily entailed issues of subjectivity, it was both practical for the purposes of the research and ascribed central importance to individual interpretation in a manner that resonated with the study's methodological emphasis on lived experience as pertinent social scientific data. Interviews with returned migrants were therefore structured around a mixed methods survey tool comprised of five sections: basic information; reasons for migration; remittance and foreign expenses; household remittance expenditure; and overall experience of migration. Together these sections spanned the entire temporary labour migration process by encompassing questions about pre-departure concerns and circumstances, the process of migration and foreign employment itself, and post-migration outcomes and reintegration.
Despite the wide ambit of the interviews, questions concerning remittances were accorded greater emphasis throughout the survey tool. On one hand, this resulted from the study's explicit investigation into the impact of remittance income on development and its theoretical contestation of the positive causal relationship assumed (often \textit{a priori}) by policymakers and much of the current migration-development literature. On the other, it also recognised that remittances are themselves imbued with complex meanings and social realities. Pre-departure expectations of what remittances will bring to the household tend to reflect existing material conditions and popular perceptions of the migration experience; the physical act of remitting often speaks to the working conditions, familial expectations and financial literacy of individual migrants; the household's use of foreign income can be telling of local development conditions and social issues surrounding remittance consumption. The survey made particular use of this reasoning by contrasting migrant returnees' top three priorities for remittances prior to migration against the top three categories of actual remittance expenditure during and after migration. In this manner expectations of the benefits migration would bring were insightfully juxtaposed with the material and social realities of remittance expenditure, useful not only for revealing the ambitions of potential migrants but also for illuminating the degree to which those hopes were or were not realised and, through subsequent questioning, \textit{why}. The term 'benefit' was deliberately chosen as an open-ended qualifier, so as not to impose a value-laden definition of migration outcomes and enable respondents to describe in their own terms any overall, economic or personal improvements to their circumstances realised through migration. Those who reported to have 'benefitted' should not be synonymised with migrant 'success stories', as even modest or subsistence outcomes may be considered beneficial by those most deprived prior to migration.

\textit{Sampling}

The sample design involved conducting a total of 100 surveys with returned migrants evenly selected from four communities throughout Sri Lanka. The fieldwork locations were purposively chosen to contrast uniformly high district-level migrant departures identified from SLBFE data (SLBFE 2012) against differing geographical, demographic and economic backdrops. A theoretical emphasis on uneven migration arising from uneven development meant that two fieldwork locations were drawn from urban environments
and two from rural environments in order to disaggregate between the experiences of communities with markedly differing proximity to areas of concentrated production and employment. A further sampling consideration was derived from the recognition that processes of uneven development in Sri Lanka have historically and contemporarily taken on distinctly ethnicised and gendered characteristics. Accounting for this specific history of accumulation by subordination, and thus the differing socio-economic realities that form along geographically delineated ethnic cleavages, meant that each fieldwork location was selected to involve a different ethno-religious community. Similarly, sampling quotas were enforced to produce a loosely balanced gender split, both to differentiate between the gendered experiences of migration as an outgrowth of uneven development and to shed light on male experiences that have – on account of women’s historical over-representation in foreign employment – been neglected within the existing literature on Sri Lanka. Disaggregated in this manner, the sampling design accounted first for an urban/rural divide, then for ethno-religious difference, and finally for gendered experience (Figure 3.1). The decision to impose no further quotas was made in accordance with a theoretical emphasis on exposing contextual diversity and historical perspective; interviewing migrant returnees from different time periods lent depth to the findings and gave insights into intergenerational attitudinal changes.

**Figure 3.1 – Sampling Design**

<table>
<thead>
<tr>
<th>100 Participants</th>
<th>50 Urban</th>
<th>50 Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 Sinhalese Catholic</td>
<td>25 Sinhalese Buddhist</td>
<td>25 Ethnic Muslim</td>
</tr>
<tr>
<td>13 Women</td>
<td>12 Men</td>
<td>16 Women</td>
</tr>
</tbody>
</table>

The above sampling design is explicitly purposive. While the limited scope and resources of the project itself precludes representative sampling, it is the theoretical orientation of the research – i.e. an emphasis on uneven development and the variegated experiences of migration it has produced – that directly shaped the adoption of a purposive sampling strategy. In one sense, representative sampling is ill-suited to the research objective for practical reasons: a lack of ethno-religious statistical decomposition within the SLBFE’s
migration data makes proportionate stratification for those populations something of an impossibility. On a more philosophical level, however, the positivistic epistemological claims underpinning representative sampling are contested. Presupposing that objective understandings of a population can be generalised from quantitative analysis of a representative constituent entails an inherent reductionism of lived experiences and social realities. The redundancy of probability sampling in the context of the study’s research aims instead encouraged a sequential combination of purposive and snowball sampling approaches that would provide direct access to participants of relevant demographics and facilitate enquiry into their embedded realities. Once four appropriate fieldwork locations had been identified from SLBFE data, individual communities were purposively selected with the assistance of local informants from trade unions and community organisations working with migrant returnees. Finally, individual participants were recruited via those same local informants and by referral from other participants. These detailed research findings were subsequently triangulated with secondary resources (existing studies and government statistics) and in-depth interviews with key stakeholders to bridge their localised significance to a discussion of Sri Lanka’s relationship with temporary labour migration more generally.

Fieldwork Locations

As discussed above, four fieldwork locations were selected on account of: i) high per-capita levels of departures for foreign employment; ii) a juxtaposition of urban and rural environments; and iii) representation of each of Sri Lanka’s main ethno-religious demographics – Sinhalese Buddhist, Sinhalese Catholic, Ethnic Muslim and Tamil Hindu. A brief description of each fieldwork location is offered as a means of contextualising the socio-economic backdrop to each of the migrant communities participating in the study.

Negombo – with geographical proximity to Colombo, Bandaranaike Airport and the Katunayake EPZ – represents an urban setting in the Western Provence, in which traditional livelihoods, particularly fishing, exist alongside (and in competition with) the spatial reconfigurations of the Sri Lankan economy under neoliberalism. While many women find work in the EPZ or engage in household production of various goods, men often struggle to make a viable living within a saturated informal economy dominated by fishing, but also including trishaw driving and low-skilled mechanical work. The town has
a long history of migration to Italy, on account of local knowledge of sea routes and skilled navigation, but a significant portion of the great many unable to afford passage to Europe (by regular or irregular means) turn to West Asia for foreign employment. Here interviews were conducted with members of a Catholic community whose primary non-migration livelihood activities were fishing and informal food production.

Pilani is a small village nestled amongst densely vegetated hills on the outskirts of Galle, a major city and prominent tourist attraction in Sri Lanka’s Southern Province. Fertile surrounds make agricultural work, particularly paddy cultivation, a traditional livelihood activity. However, the nearby Koggala EPZ also provides employment opportunities, as does fishing, home production of garments and handicrafts, tea picking and – more recently – tourism. Proximity to the city means that a majority of the Singhalese-Buddhist community interviewed were not dependent on agricultural livelihoods, or any one particular stream of employment. Nonetheless, opportunities for decent work are scarce and a majority of households in the village have been involved in temporary labour migration at some point in the last 30 or so years.

20 kilometres outside of Kurunegala, capital city of the North Western Province, lies Polgahawela – a small town best known as a major railway junction serving trains to and from Colombo. The town is set against a rural backdrop, where generally dry conditions make agricultural work a difficult livelihood to sustain. A rubber plantation lies directly north of the town, but prolonged drought has adversely affected other agricultural work and trade in livestock. Various businesses and merchant activities do exist, but these are small or self-employed operations and do not generate much employment. Given the dearth of opportunities, migration to West Asia has long been a dominant livelihood strategy for the small Muslim community researched here. Having shared religious beliefs makes Sri Lankan Muslims relatively desirable to West Asian employers, affording comparatively better opportunities and increasing the likelihood of forging transnational connections that can circumvent the ‘services’ of recruitment agents.

The final site of research was the town of Thavapuram, just north of Batticaloa, a prominent port city of the Eastern Province. As with much of the Eastern Province, Batticaloa and its surrounding areas were engulfed in the Sri Lankan civil war and stricken by the 2004 tsunami, culminating in the destruction of livelihoods and infrastructure.
Post-war reconstruction efforts have done little to promote development in the majority Tamil region. Most of the Tamil Hindus interviewed lived in thatched housing without access to electricity and lamented a lack of decent local jobs, the most prevalent opportunities being the selling of bagged sand for home landscaping and other low-skill labouring jobs, or non-irrigated (and thus seasonal) paddy cultivation. Temporary labour migration has been a relatively new phenomenon in the Eastern Province, emerging in step with the de-escalation of war in the region over the past decade. Nonetheless, departure numbers within and around Batticaloa have increased rapidly – doubling between 2006 and 2011 – making it the fifth largest location in terms of net migration (SLBFE, 2012).

Data Collection

In each fieldwork location returned migrants were identified by local informants (with ties to community organisations) and invited to participate in an interview. Participants were then asked to refer other returned migrants within their community to be interviewed, thus allowing recruitment to 'snowball' within the specific community in question. In all but one case (where a Sinhalese man operated a business within a Muslim village) these communities were entirely comprised of a single ethno-religious identity, reflecting the communal segregation found throughout most of Sri Lanka but also providing natural insulation for the study of each participatory demographic. Each interview typically lasted no longer than half an hour and was conducted at the participant's convenience: either at their place of residence, at their place of work or at the offices of the community organisation with which the local informant was associated. Because no compensatory reimbursement was necessitated by the interviewing structure, incentives were not offered for research participation, with the additional benefit of negating disingenuous responses and curtailing undue influence of the researcher in a context where material imbalances afforded by background were already apparent.

Given that participants spoke either Sinhalese or Tamil as their first (and most often only) language, the interviews were conducted by way of an interpreter, with the researcher present. As the interviews were structured around a survey tool, the interpreter was responsible for administering questions to the participant and then relaying their responses in English, which were then recorded by the researcher. If clarification or
additional questions were required during the interview process, the interpreter would translate those enquiries from English to the participant’s language and again relay the participant’s response in English. In this manner the basic questions of the survey could be administered directly by the interpreter, while still affording the flexibility to probe and follow-up on points of interest that emerged from the interview. To ensure reliability and consistency throughout the first phase of research, which spanned several months and required multiple trips to the four fieldwork locations, a single trilingual interpreter was trained to have intimate knowledge of the research aims and employed for all 100 of the interviews conducted. Additionally, permission to make audio recordings of the interview was sought from each participant. This allowed the interpreter to cross-reference survey data recorded in realtime and, once the recordings had been transcribed verbatim, allowed for deeper qualitative analysis of the more conversational and open-ended elements of the interview not sufficiently captured in the survey tool itself.

As with all qualitative research, but particularly within a context of underdevelopment where the researcher (as a relatively affluent outsider) embodies socio-economic disparities with participants, reflexivity was a critical consideration. The bond of trust and understanding between the researcher and interpreter – himself a social work researcher – was again paramount in mitigating undue influence and allaying participant suspicions that might adversely affect their personal comfort and inclination to speak freely. Firstly, the interpreter would establish a rapport with the potential participant and explain the researcher’s position as a doctoral student guided by a personal curiosity in labour migration, but without political or institutional affiliation. Once it became clear that the study was earnestly intended to give voice to individual experiences of migration, without pointedly applying preconceived agendas or expectations, participants were generally very comfortable in discussing their migration narratives and often ‘took ownership’ of the interview. Secondly, by having the interpreter administer the interview questions the researcher was given a more passive role in the research dynamic – recording relayed responses and occasionally asking for additional detail, but not pushing for particular information or offering emotive feedback to the responses offered by the participant. In these ways the data collection was conducted with explicit awareness of, and intention to compensate for, the relationship dynamics between researcher and participant.
Second Phase

The second phase of research involved the triangulation of findings through several in-depth interviews with key stakeholders from various organisations working with temporary labour migrants in Sri Lanka, including representatives of the SLBFE, Ministry of Labour, ILO, policy think tanks, advocacy groups and local fieldwork informants.

Question Design

The central aim of this second phase of research was to triangulate fieldwork findings in order to verify their consistency with countrywide patterns and experiences of migration. The process of interviewing migration experts and community workers also allowed for some critical interrogation of theoretically-informed research questions not directly observable within the first phase of research, such as the macroeconomic impact of remittances and the structural features of uneven development. As the key stakeholder interviews were designed to be in-depth and free flowing, there was no definitive structure to the questions posed, but rather an open and reflexive discussion of the main research findings and attendant queries loosely organised under the same sectional headings as the survey tool: reasons for migration; remittance and foreign expenses; household remittance expenditure; and overall experience of migration. The specific questions asked varied substantially depending on the particular stakeholder being interviewed. For example, fieldwork findings pertaining to recruitment, regulation and reintegration strategies featured more prominently in interviews with the SLBFE and Ministry of Labour in reflection their particular institutional role in governing temporary labour migration. Conversely, interviews with ILO and advocacy groups focused much more on the working and personal rights of migrants and the various political, economic, social and cultural catalysts for temporary labour migration. Differing again, an interview with the influential economic policy think tank IPS involved questions directly addressing Sri Lanka’s conditions of underdevelopment, macroeconomic stability and migration’s place in that structural picture. Additionally, interviews with local informants whose assistance was used in the first phase of the research involved questions explicitly addressing the structures and dynamics of migration occurring in their particular community in order to triangulate the localised migration data emerging from each fieldwork location.
Sampling

A total of eleven in-depth interviews were conducted, seven with Colombo-based migration experts and four with local informants from each of the fieldwork locations. Participants were sampled purposively on the basis of their suitability in helping to contextualise various aspects of the fieldwork findings and – on account of busy work schedules or willingness to be interviewed – availability. Existing relationships with local informants made it convenient to arrange interviews with those participants, although it proved more time-consuming to identify and arrange interviews with suitable participants from Colombo. Colleagues at the Centre for Poverty Analysis (CEPA) assisted by facilitating introductions through their existing network of professional contacts and thus enabled me to arrange interviews with experts representing a spectrum of stakeholder interest in migration: the SLBFE, the Ministry of Labour, the ILO, IPS, the Swiss Agency for Development and Cooperation (SDC), the Centre for Migration Research and Development (CMRD), and the Women and Media Collective (WMC). Collectively the selected stakeholders offered deep explanatory insights into a number of factors directly relating to the study’s overarching research questions and theoretical framework while helping to confirm or disconfirm location-specific findings as representative of wider migration experiences across Sri Lanka. The selected participants could offer indispensably detailed discussions of the role of uneven development in causing migration, the gendered and ethnicised realities of local and foreign employment, the social and economic outcomes of migration for households, the recruitment industry and regulatory policies, and the impact of remittances at a macroeconomic level – all of which speak directly to the theoretical orientation of the research at a level that was unable to be observed empirically.

Data Collection

As each of the participants in the second phase of research spoke English proficiently, and most often as a first language, interviews were conducted directly without the assistance of an interpreter. This was a crucial factor in ensuring that sufficient depth was achieved in the interviews, as the fluidity and relevance of the discussion is directly shaped by the researcher’s own intimate knowledge of the subject and the ability to subtly direct conversation towards topics of interest would have been lost in the process of interpretation. The most pressing methodological consideration was again reflexivity, but
during this time from a comparatively disempowered vantage point where the participant is the mutually-acknowledged expert and the researcher the relatively uninformed outsider. Under these circumstances the most important research strategy was the ability to detect participant bias – generally representative of the affiliated institution’s stake in migration – and mirror that disposition in order to establish rapport and extract further information from the interview. As with the first phase of research, interviews were recorded with permission and later transcribed verbatim for deeper analysis.

Data Analysis

As a result of collecting data within a mixed methods sequential explanatory strategy, fieldwork findings demanded to be analysed separately – as quantitative and qualitative information – yet interpreted coherently in discussion. It was therefore decided to process the quantitative survey data to produce a range of descriptive statistics that could subsequently be given depth by analysing qualitative survey data and transcribed migrant interviews. These insights could then be further contextualised and extrapolated through analysis of the in-depth interviews conducted with key stakeholders. In practical terms, graphical representations of data feature throughout the study as evidence to support analyses of migration’s relationship with processes of development, while excerpts of migrant and expert interviews are frequently called upon to corroborate the value of these statistics with lived experience and authoritative insights respectively.

The quantitative data was analysed first, using PSPP – an open-source derivative of the popular statistical engine SPSS (Statistical Package for the Social Sciences). During this process all 100 surveys with returned migrants were coded into a single dataset, with all close-ended questions represented as relevant types of continuous or discreet variables. Once coded, the data was analysed through frequencies, descriptives and cross tabulations to produce a wide array of descriptive statistics that highlight relevant findings in aggregate, by location or split by key demographic variables. Visual outputs were produced alongside each set of descriptive statistics, allowing the data to be represented in an immediately informative medium best suited to its purpose within the study. The qualitative data from both phases of research was then organised for careful revision and interpretation. A large number of unstructured transcripts had been produced in the course of data collection, warranting the use of NVivo qualitative data analysis software to facilitate the management of this information. Within NVivo these transcripts were
organised according to the category of participant and tagged to a particular fieldwork location where relevant. The transcripts were then carefully coded to nodes representative of certain topics and themes. The accumulation of multiple transcript excerpts within certain nodes then demonstrated the emergence of dominant themes while also allowing easy access to various opinions while discussing specific topics.

Conclusion

This chapter draws links between theory and methodology to provide a grounded overview of the study’s research rationale, fieldwork design and implementation, and approach to data analysis. It serves as a bridge between the theoretical concepts laid out in Chapter Two, and the thematic organisation of fieldwork findings discussed throughout the following three chapters that together comprise the empirical section of this thesis. Chapter Four explores the causes and outcomes of temporary labour migration through the lens of forced migration, Chapter Five uses the institutional nuances of place to examine locational differences in migration experiences, while Chapter Six reflects on the importance of status as an integral feature of migration cultures.
Chapter Four

In Search of the 'Good Life': Uneven Development and Forced Migration

Overview

This chapter explores how temporary labour migration has, with varying degrees of locational difference, constituted forced migration in a manner logically consistent with Sri Lanka’s continuing economic reliance on strategies of accumulation by subordination described in Chapter Two. Uneven development, intensified during the 1977 neoliberal restructuring, has selectively exploited vulnerable demographics while marginalising others entirely. The concurrent deregulation of foreign employment has, in turn, provided an open door for those unwilling or unable to find work within the degraded conditions of local employment. Operating as a macroeconomic ‘safety valve’, labour migration has simultaneously alleviated the governing onus of job creation, shaped a lucrative new recruitment industry for capital and become a survival strategy for working populations marginalised by their class, ethnicity and gender. However, the impact of these processes cannot be generalised; the very notion of uneven development implicitly addresses the asymmetrical manner in which structural shifts play out across local contexts. By analysing the importance of locational differences, complex and distinctive migration practices can be identified. In each fieldwork location the relative degradation of local employment was seen to force workers to migrate, internally or internationally, as a survival strategy. However, the circumstances under which migration occurred – the relative costs of, benefits from and dependency on migration – varied appreciably from one community to another, reflective of prevailing developmental disparities and location-specific migration strategies. What emerged was a broad spectrum of migration outcomes shaped by social topography and tempered by individual circumstance, but nonetheless gravitating towards one-off, transient or insufficient benefits.

This chapter draws on a range of qualitative and quantitative fieldwork data in order to contextualise the relationship between lived experiences of forced migration and the
structures of uneven development that define Sri Lanka’s economic landscape. The first section examines the various reasons for migration throughout the four communities researched in the study, drawing analytical connections between the widely-cited need to travel abroad in order to earn a liveable income and the conditions of local employment. The prevalence and nature of forced migration is further substantiated by consideration of the perceived benefits of migration: what was hoped for and what was gained in lieu of local employment opportunities. Establishing that the 'good life' sought by migrants is largely analogous to conditions of decent employment that have been undermined by uneven development, it then explores the disconnect between entrepreneurial investment and other developmental 'wins' anticipated by the mainstream migration literature and the dominant empirical reality of remittance-led subsistence. Characterising the stubborn challenges of reintegration as symptomatic of the structural conditions producing forced migration itself, it then examines the path dependency emerging from this contradiction: that initial migration tends to produce repeat or ‘flow-on’ migration in order to preserve remittance streams for economic survival.

**Forced Migration: The Decline of Traditional Livelihoods**

**Reasons for Migration**

Given the extent of temporary labour migration from Sri Lanka, one of the most immediate questions to be addressed is *why* so many people are opting to migrate, particularly given general awareness of the dire working conditions to be found in West Asia.

The NELM and other neoclassical-informed theories of migration answer this question by postulating migrants’ rational calculation of local and foreign income differentials, whether individually conceived or as part of a greater household strategy to diversify income streams and hedge against risk. Yet the mere identification of income differentials as economic push/pull factors does little to explain underlying developmental conditions or the specific patterns of migration they produce. Sri Lankan incomes were worse than those available to migrant workers in the Persian Gulf long before migration began taking shape as a livelihood strategy in 1977. So too are Sri Lankan incomes significantly lower than those available to migrant workers in other parts of the world, yet migration to West Asia remains accountable for 95 percent of all foreign employment (SLBFE 2012). Of
course, both of these facts point to an obvious conclusion: income differentials are analytically unhelpful without recognition of the way movements of human labour are regulated by, and contingent upon, developmental strategies and migration policies in both labour-sending and labour-receiving economies. The structural and institutional characteristics that shape demand for migrant labour in receiving economies have been meaningfully explored in Piore’s (1980) work on dual labour market theory. Delgado Wise’s (2009) conceptualisation of forced migration offers theoretical complementarity for sending economies by drawing connections between the structures and institutions of uneven development and the emergence of labour migration as a survival strategy. For Sri Lanka, the conspicuous burgeoning of foreign employment departures alongside neoliberal economic restructuring reaffirms the intimate connection between economic development and 'decisions' to migrate. 1977 represents a watershed year, during which an unsuccessful commitment to decent and decentralised local employment gave way to centralised and intensified strategies of accumulation that forced marginalised populations into specific pathways of foreign employment for economic survival.

A sense of forced migration, most often attributed to those internally displaced by war and natural disaster rather than economic migration (Castles and Miller 2007), was clearly discerned from surveys conducted with migrant returnees. In aggregate, a telling 96 percent of respondents indicated that they would not have migrated if they were able to earn a liveable wage from local work. The economic necessity of migration was further probed to distinguish between unemployment and underemployment\(^\text{14}\) as the principal source of pressure, with 22 percent identifying a lack of work as their reason for migration relative to 66 percent who expressed the need for better wages. These findings resonate with the notion of uneven development in a highly informal agricultural economy\(^\text{15}\), where rank unemployment is rarely as encumbering as the degraded terms of local employment arising from the decline of traditional livelihoods in favour of concentrated urban production. Unemployment and underemployment are here intimately linked, with the insufficient creation of local jobs fostering a reserve army of labour whose acute need for work exerts downwards pressure on existing wages and ensures a prevalence of precarious and unsustainable livelihoods (Arunatilake 2012).

\(^{14}\) Underemployment is here framed simply as wages or hours deemed insufficient by the worker.

\(^{15}\) Calculations vary, but tend to peg informal employment at 70 percent of all employment (Arunatileke, 2012).
Across each fieldwork location traditional agricultural livelihoods were seen to produce insufficient income to support basic economic subsistence for most households, with women’s employment in the garment industry, itself a driver of internal migration, the only prominent source of stable breadwinner employment outside of foreign employment.

As one male returnee from Negombo explained: “I couldn’t save in Sri Lanka, I had to migrate to afford a house and land. Sri Lanka is a good country, but we can’t live off our earnings”.

Another, a woman working in a small plantation in Pilani, told of her own struggles as a breadwinner: “I got only Rs 150\(^{16}\) per day for plucking tea leaves. Even my husband was looking for a job for so long, but could not find any. That is why I left the three children with my husband and went abroad”.

The situation was seen to be worse in Thavapuram, where the aftermath of civil war intersected with underdevelopment, as illustrated by a young mother’s reflections: “Here, I could not get a job. Nobody, no organisations, helped me at the time of my husband’s death... I had no income to raise my kids. I have no parents, only a sister and her husband. Her husband’s legs are not functional, he cannot walk. Because of that, I could not depend on them and had to migrate in search of a living”.

This sentiment of reluctance to leave Sri Lanka (and invariably one’s family) in the face of financial necessity was common to all communities surveyed, with a few notable exceptions arising from those who wanted to leave their home communities for personal reasons, ranging from social stigma to domestic abuse, fleeing war and a sheer curiosity to experience life abroad. It is important to note that the personal and distressing nature of some of these reasons for migration may have precluded respondents from openly discussing these experiences, potentially downplaying their significance. Qualitative studies into the experiences of migrant domestic workers in Sri Lanka have, for example, stressed that some women pursue migration chiefly to escape domestic abuse and repressive gender roles in their local community (Smith 2010; Kottegoda et al. 2013).

\(^{16}\) Discussions of income and expenses are discussed with reference to Sri Lankan rupees (Rs) throughout the empirical section of the thesis. For reference, 100 rupees is equivalent to US$068 as of October 2016, while one ‘lakh’ – i.e. Rs 100,000 – amounts to US$677.
Locational Difference

While forced migration was seen to occur across all fieldwork locations, migration practices differed in each context. In large part a reflection of the geographical spread of local employment prospects, this was also seen to be informed by cultural distinctions arising from ethno-religious difference and the character of local institutions. Some key considerations here include the community’s proximity to EPZs and urban centres; the relative fixity of traditional livelihood activities as a component of identity; the nature of local gender roles; the relative degree of cooperation within a given ethno-religious community; the extent of destruction caused by armed conflict and the 2004 tsunami; and the depth of local migration knowledge. Within specific communities, pertinent threads can be drawn together to depict the emergence of specific migration practices that, although unified by forced migration, produce varying effects regarding the circumstances and outcomes of foreign employment. Locational differences are further explored through the concept of place discussed in Chapter Five, but the contextualisation of each migrant community involved in the study is necessary to provide a background to all research findings. A brief overview of the key variations detected between fieldwork locations is offered to illustrate these differences and provide a community context in which to anchor ongoing exploration of individual experiences.

Negombo

In Negombo, traditional livelihoods are explicitly intertwined with the local fishing industry, one of the oldest and largest in Sri Lanka. The fishing community, however, remains one of the poorest in the Western Province, with locals often living in thatched housing along Negombo lagoon and facing financial strain from increasing competition with commercial trawlers and the rising cost of living. Conditions of poverty, and particularly the desire to afford permanent housing, has encouraged a sustained history of migration as a modern livelihood strategy, although this has occurred alongside other employment opportunities afforded by physical proximity to the Katunayake EPZ and Bandaranaike International Airport: Negombo is the primary location of garment production in Sri Lanka and a prominent tourist hub. Membership within the fishing community has strong (and often divisive) implications for identity that feed into the formation of location specific migration practices. Men often find employment working as
ship hands and captains for West Asian shipping companies, rather than the more typical labouring work undertaken by men elsewhere in Sri Lanka. Similarly, knowledge of sea routes and sailing ability have also facilitated an atypical concentration of irregular boat migration from Negombo, chiefly to Italy (where a Sri Lankan diaspora has formed), but also to far flung destinations such as Australia. The insularity of the fishing community, including cultures of drinking and gambling, was also seen to prompt some to migrate to West Asia as a means of escaping the trajectory of life in a context of tightknit social relations and diminutive prospects of upwards mobility. Finally, as a port of early settlement by Dutch and Portuguese colonialists, Negombo has one of the most concentrated Catholic populations in Sri Lanka. Numerous Catholic community and philanthropic organisations exist as a consequence, often extending support to migrant returnees who have experienced trauma during foreign employment, sometimes in conjunction with the Women’s Centre of Sri Lanka, a nascent cross-occupational women’s union based nearby in Ja-Ela.

*Pilani*

The Sinhala-Buddhist community in Pilani shares many similarities with that of Negombo, in that traditional livelihoods, both paddy cultivation and fishing, have been progressively eroded while tourism and garments production have provided alternative work nearby in Galle. Despite these growing industries, the community has a long-standing involvement with temporary labour migration and it endures as a commonplace livelihood strategy. This is largely because the handful of local garment factories provide limited and stigmatised jobs for young women, while the expansive tourist operations along the south-west beaches offer only menial and precarious work. Locals feel that neither traditional nor modern livelihoods are sustainable, whereas labour migration is perceived to confer better opportunities to build housing and provide for the family. As with other locations where migration has been long established, community expectations regarding the potential benefits of migration were realistically calibrated by extensive collective experiences within the village. However, the poorer and more marginalised members of the community, such as those working in the small tea plantations in the nearby hills, were seen to experience greater financial and social hardships in arranging and benefiting from migration. Similarly, migration conferred different outcomes for those displaced from coastal areas during the 2004 tsunami and now living in a portion of the village.
constructed by foreign aid projects, as the pre-existence of permanent housing meant that their remittances could be directed towards other expenditures. Thus, while an established practice alongside the limited opportunities of the urban and tourist economy, labour migration was seen to occur in the relative absence of community support and tempered by socio-economic circumstances.

**Polgahawela**

Polgahawela, like elsewhere in rural Sri Lanka, has experienced declining traditional livelihoods without even the mild offsets afforded by geographical proximity to centralised production and tourism. A flagging rubber plantation to the north of the village provides some work for the community, however the local economy is seen to revolve around merchant activity facilitated by the logistical advantage of being situated at a major intersection of road and rail routes connecting Colombo with Kurunegala and other regional cities. In the Muslim community surveyed, the effects of developmental marginalisation were exacerbated by religiously-proscribed gender norms that make women's internal migration to live and work away from home (i.e in the garments industry) socially unacceptable. However, as part of a recurrently discriminated ethnic group living in fragmented pockets throughout Sri Lanka, the Polgahawela Muslims were seen to possess particularly strong community bonds and support networks. In the context of foreign employment this communal interdependence, along with specific ethno-religious characteristics, has produced distinctive and favourable migration practices. Principles of Islamic banking prohibit making interest on loans which, along with the intra-communal practice of *zakat* (the religious obligation to make charitable giving), has resulted in an informal system of group funding for potential migrant's recruitment fees that sidesteps the deleterious reliance on moneylenders seen in other fieldwork locations. Moreover, with West Asian employers exhibiting a preference for Muslim workers, and Sri Lankan Muslims generally more amenable to working in West Asia on account of the same religious affinity, there exists a mutual reciprocity of non-economic incentives that has historically generated greater demand for Polgahawela's Muslim migrants. Not only has this tended to amount to lower recruitment fees and higher wages, it has also resulted in current migrants 'brokering' the direct employment of friends and relatives to prospective employers in West Asia, thereby circumventing the costs and complications of recruitment agents.
Thavapuram

The Tamil-Hindu community in Thavapuram, a small village north of Batticaloa on Sri Lanka’s east coast, is distinguished from the other fieldwork locations on account of its embroilment in civil war and relatively recent exposure to temporary labour migration as a livelihood strategy. With much of the Eastern Province contested by the LTTE until 2007, migration had until that time occurred outside the purview of government regulation and mainstream recruitment practices and was largely characterised by informal and refugee flows. The commencing of widespread temporary labour migration clearly coincided with the Sri Lankan government regaining control of the Eastern Province, when recruitment agencies began operating in this hitherto unexposed community and offered relatively attractive alternatives to existing employment in an impoverished region characterised by severe underdevelopment, human and infrastructural war losses, coastal tsunami damage and precarious seasonal agriculture worsened by recent droughts. A combination of poverty and limited community knowledge of migration practices have resulted in Thavapuram experiencing particularly dire outcomes from foreign employment. On the one hand, having minimal existing assets to leverage has left prospective migrants dependent on taking usurious loans from moneylenders in order to finance recruitment fees, resulting in crippling debt repayments. On the other, a lack of experience with temporary labour migration has left the community vulnerable to exploitation from recruitment agencies in Colombo who, via a network of sub-agents and local brokers, have been seen to deceive potential migrants with inflated recruitment costs and promised salaries far beyond those actually received. Insufficient government regulation of migration practices in this region, evidenced by a lack of SLBFE offices and involvement with local government, combines with a palpable air of desperation to engineer a situation where those with the greatest disadvantage are burdened with the most adverse pathway to foreign employment.

These four fieldwork locations are united by shared structural economic pressures that have culminated in experiences of forced migration; community-specific tensions are facets of a singular process of uneven development that coordinates accumulation by subordination along geographical and cultural axes while forcing the ostracised remainder into foreign employment. The dwindling viability of traditional livelihoods and insufficient generation of decent employment alternatives is a common experience of Sri Lanka’s
working poor. However, as demonstrated above, the nuances of uneven development – its geographic parameters, cultural antagonisms and intersection with ethnic and gendered subordination – have produced markedly different migration practices between places and peoples. These differences are an important reminder of the multiscalearity of migration. Structures of global capital have clearly hewn an overarching passage of temporary labour migration from Sri Lanka to West Asia, but the scope of experiences within this broad corridor of movement is moulded by countrywide patterns of uneven development and the nature of local institutions that have arisen in response to these asymmetries. It is therefore meaningless to speak of Sri Lanka's labour migrants as a homogenised whole, just as much as it is pointless to emphasise individual agency without contextualising the structural limitations to its exercise. Place, then, serves as something of an intermediary between uneven development and the multitude of lived experiences nestled within those structures. This is discussed further in Chapter Five. Having been outlined in general terms, the diverse conditions under which Sri Lankans migrate are repeatedly drawn on when interpreting the implications of forced migration arising from research findings. The first theme to be explored as such is the notion of 'the good life', a frequently cited aspiration of migrant returnees across all four fieldwork locations.

'The Good Life' – Migrant Aspirations and the Benefits of Foreign Employment

Pre-Migration Hopes and Expectations

One consistent theme when interviewing returnees about their reasons for migrating was the desire to successfully lead a 'good life', something unanimously felt to be unachievable by working locally in Sri Lanka. Unpacking the personal meaning ascribed to notions of a 'good life' – the idealised social and economic circumstances to be attained through migration – thus provides a nuanced means of understanding of what is left wanting, personally and materially, as a consequence of uneven development. The four dominant themes emerging from migrants' remittance priorities (housing, education, business investment and day-to-day consumption) are all reflected in returnees' discussions of 'the good life'. Locational differences in migrants' hopes proved very limited, with business investment consistently emerging as the leading aspiration after housing. Given that migrants' ambitions and general conceptions of good living were far more consistent
across different communities than the actual outcomes of migration experiences, the following discussion of recurrent themes does not delve into location-specific variations.

Housing

When asked what her main expectations were before travelling abroad, a female returnee from Pilani replied frankly, “Our only idea was to build a house. To be happy in life. To provide for the children’s education, to eat and buy clothes”.

These sentiments encapsulated the simple aspirations expressed by a majority of returnees surveyed. That the construction of a house stands apart as a preliminary objective is meaningful in illuminating migrants’ interpretation of ‘the good life’. Ownership of a permanent dwelling can be seen both as a precondition for other improvements to household well-being and as a ‘big ticket’ asset that is relatively more difficult to finance under conditions of local employment than the smaller recurring payments demanded by education fees and household consumption. In the first instance, a brick and mortar housing confers numerous safety, health and livelihood advantages over thatched housing and other temporary dwellings: namely the physical security of the home, access to running water and proper sanitation systems, and the ability to run electricity through the house.

As a senior director of the IPS explained, “[housing] is normally a priority because most of them stay in poor houses, and maybe when they come back they might be thinking of a larger family, many things can cross their mind. Or having an additional room and renting that room out and making additional money. All those things can be in their minds. Housing receives priority. And you see if they are going from a mud hut or a house without electricity, afterwards they bring these electrical items and they must have proper electricity connections to use them. They bring washing machines, proper water lines, etcetera – all those fall into place when you have a proper house”.

Permanent housing thus offers a stable platform from which reproductive labour can be reduced and child rearing eased, allowing for home conditions that are potentially more conducive to children’s education and alternative income strategies, such as rent and self-employment. Indeed, hopes to acquire land and housing are often intimately tied to
considerations of family and intergenerational well-being. This is additionally important in situations where migrants have unmarried daughters, for whom a permanent house can later serve as an important form of dowry payment for a 'good marriage' and upwards social mobility such weddings can allow for.

This interrelationship between housing and intergenerational well-being is reflected in one Thavapuram woman’s unequivocal response to why she chose to migrate for work: “I have neither land nor house for my three girl children. So, I went there to build a house for them”.

Speaking more directly to the importance of housing as a dowry payment, a project coordinator at the Colombo ILO office observed, “You can give your daughter in marriage, if you have a house, especially if it’s permanent. All of them have dwellings, but it doesn’t necessarily mean that they are permanent dwellings. So they go overseas in order to earn to build a permanent house, brick and mortar walls and roofs and windows”.

That housing is a primary ambition of migrant workers is, however, also an overt testament to prevailing conditions of underdevelopment amongst Sri Lanka’s working poor, and the unfeasibility of making land purchases and household construction within the confines of local avenues of employment.

A woman from Negombo explained that her alternative to migration, garment work, would not provide the income needed to build a house: “We had many financial problems. We didn’t have a house to stay in. It was difficult to stay in my mother’s house. I hoped to build a house of our own. That’s why I went... There were no such opportunities here. The only opportunity was in a garment factory. But the salary was not enough at that time”.

A middle-aged mother, also from Negombo, discussed additional limitations to working in the garment industry: “I am a mother of three children. Even my husband is sick. There was no job. We lived in a rented house. There were so many problems. I could not even go to a garment factory, because they did not take any workers if we did not know sewing. I did not know sewing, so I also could not go. Garment factories take those who are young and those who know sewing using machine. But, anyone can go abroad as a housemaid. That is why I went”.
For many, remitted income from foreign employment is the only means of amassing sufficient savings for land and housing. Women’s remittances are particularly important in this regard, as female migrants often exclusively performed care work prior to foreign employment, their newfound wages thus complementing, rather than substituting for, existing household income. This is further alluded to by the observations of a senior researcher at the WMC who has been studying labour migration in urban Colombo since the early 1980s.

She recalls, “In the 1980s I was doing my work in Demetagoda in Colombo 10, it was a low income settlement that had gone through president Premadasa’s ‘one million housing scheme’. It was a shanty settlement, they did some kind of clearing up, but they were all shanties and the first round of migrants were Muslim women. Immediately you could see the difference. Because all the houses that had an upstairs, every single house, was a returning migrant’s house”.

Permanent housing also signifies social status, especially when involving large houses, multiple stories and particular design aesthetics. Status considerations must also be factored into considerations of migrant ambition, and are considered in detail in Chapter Six, but as the WMC researcher concluded, “[Housing] is a security issue first, because you have a permanent house or however you want to say it, then the status comes afterwards in how you design it, like what you hang in front, what colour you paint it”.

Education

Migrants’ ability to provide for their children’s education was another key ambition prior to migration, particularly amongst female migrants, and an important intergenerational element of living ‘the good life’. When asked about conditions of local employment in Sri Lanka, many migrants noted that there are no good jobs available unless you have skills and a good education – at once an expression of resignation for their own working futures and an insight into the importance attributed to providing reputable education for their children.

Of all migrant returnees surveyed, including those whose migration was ultimately fruitless in terms of remitted income, 58 percent committed remittances towards their
children’s education, with outlays ranging from basic book and uniform purchases to after-school tuition costs and private schooling fees. Despite Sri Lanka’s long-standing commitment to universal free education, the popular conception of ‘good education’ as a private expense rather than a public assurance was clear.

For some it stood apart as a top priority, as was the case with a young Negombo woman: “I wanted my sisters and brothers to be educated and for my parents to live happy without being in debt”.

Another, a mother from Thavapuram, made clear the centrality of education in her hopes to better her children’s lives: “I wanted to educate my kids and provide them with a fine life, which I did not experience. I wanted to make their lives better”.

A common sentiment that transpired from the interviews was that a good education would lead to good employment (i.e. a stable, respected and decently remunerative job) that would then serve as the bedrock for their children’s ability to live a good life in Sri Lanka. The importance of this connection was made evident by returnees who reported the chief benefit of their migration as being able to help their children or siblings find decent employment. Tacitly, migrants also implied that, having found decent employment, their children would then be positioned to support the family beyond what they themselves could.

A director of the CMRD further contextualised the recurrent research finding that migrants saw education as a significant investment: “I mean there is a whole discussion going on that the Sri Lankan government is not investing enough money in education. So currently the quality of our higher education is very low, it’s down, so we have to supplement which is why the whole tuition industry has come up. Investments in basic human capital, I don’t think it’s happening, that’s why people have to find their own ways, private education and private healthcare have boomed – it’s now a huge industry”.

**Business Investments**

The desire to invest remittances in a business, typically informal self-employment, was a strong priority amongst male migrants and frequently tied to the notion of living
‘independently’ or ‘freely’. 96 percent of migrants desired to work within their home communities and expressed disinclination to migrate for reasons other than sheer necessity. Reflecting this sentiment, business investments and informal self-employment can be interpreted as a means of achieving sustainable income locally while achieving independence from the debt and economic subsistence otherwise characteristic of life on the wrong side of uneven development.

A young father in Negombo told of his struggles supporting his family as a waged worker: “If I could manage here I won’t go. There are opportunities here. You can manage with the daily wage, but it’s not enough as I have two children”. When asked what he hoped to achieve by migrating, he echoed a commonly-held hope that business ownership would allow for a sustainable life in Sri Lanka: “I wanted to go and do the same job that I was doing here [welding] and then come back and develop my own welding business here. And then educate my children”.

In a few instances, business ambitions transcended the desire to cleave out a sustainable form of self-employment for the returnee and their family, instead being conceived as a gateway to deriving rentier income. A woman in Thavapuram described this connection between her business hopes and property investment, explaining that her dreams were to “save some money and buy an auto, engage in business, at least long enough to buy some plots to lease”.

A man from Polgahawela had similarly entrepreneurial desires. When asked how he had hoped to spend his income, he explained his business plan: “First I want to buy vehicles, for business purposes, like having vans for hire”.

However, on the whole, migrants' notions of business did not coalesce with intent for capital accumulation or rent seeking so much as they reflected a need for stable self-employment outside of the vicissitudes of traditional livelihoods and waged work. This is reflected in the particularly high number of participants who articulated their business plans in the purchasing of a trishaw taxi: a relatively affordable, low-return investment that nonetheless allows returnees to work at their own discretion and with a sense of independence.
Day-to-Day Consumption

Being able to finance daily household expenses – the ability to pay bills, provide sufficient food and other incidentals such as basic clothing – was another key priority for surveyed returnees. However, being able to pay for day-to-day consumption was not typically discussed as an ambition in its own right, as even the most destitute of potential migrants tended to hope for greater returns from their foreign employment. Often this basic provision was mentioned as an attendant goal to building a house, investing in education or starting a business. Nonetheless, that providing for household consumption costs featured as a fairly common pre-migration goal speaks to the difficulty of simply 'getting by' on local wages, a situation that is further illustrated when discussing the prevalence of household indebtedness in the following chapter.

Understanding Migrant Aspirations

The Sri Lankan migrants interviewed were seen to conceptualise 'the good life' as an assemblage of basic needs, within which status consumption played an important but subservient function to the consolidation, sustainable reproduction and intergenerational improvement of household well-being. The complex dynamics of status consumption is returned to in detail in Chapter Six. For now, migrants’ reflections on 'the good life' is contextualised to situate those hopes in relief of deepening developmental shortcomings and declining welfare provisioning accompanying Sri Lanka’s neoliberal governance.

Table 4.1 - Top Remittance Priority for Women

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>2</td>
<td>3.4</td>
</tr>
<tr>
<td>Consumption</td>
<td>1</td>
<td>1.7</td>
</tr>
<tr>
<td>Debt Repayment</td>
<td>4</td>
<td>6.8</td>
</tr>
<tr>
<td>Education</td>
<td>9</td>
<td>15.3</td>
</tr>
<tr>
<td>Healthcare</td>
<td>1</td>
<td>1.7</td>
</tr>
<tr>
<td>Housing</td>
<td>39</td>
<td>66.1</td>
</tr>
<tr>
<td>Jewellery and Clothing</td>
<td>1</td>
<td>1.7</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>3.4</td>
</tr>
<tr>
<td>Total</td>
<td>59</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Table 4.2 – Top Remittance Priority for Men

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>13</td>
<td>31.7</td>
</tr>
<tr>
<td>Debt Repayment</td>
<td>3</td>
<td>7.3</td>
</tr>
<tr>
<td>Housing</td>
<td>22</td>
<td>53.7</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>7.3</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
</tr>
</tbody>
</table>

A quantitative insight into pre-departure aspirations is gained by tallying migrants’ self-identified remittance priorities, disaggregated by gender to reflect social norms and important practical differences between men and women’s foreign employment. When migrants’ top remittance priorities are considered, a clear emphasis on the construction of housing is seen across both sexes, followed by children’s education for women (Table 4.1) and business investments for men (Table 4.2). When migrants’ secondary priorities are considered the picture becomes slightly more balanced, with women preferring expenditure evenly on education and housing and men focusing on business slightly ahead of housing and consumption. From this simple snapshot arises a gendered matrix of remittance priorities, wherein the ambitions of female migrants are chiefly centred upon the provision of housing and education, while male migrants are typically concerned with housing, business and day-to-day household consumption.

Assessing the need for housing as a general indication of insufficient incomes cutting across local working conditions of both men and women, subsequent gendered distinctions can plausibly be located in the feminisation of breadwinner employment despite the stubborn persistence of a sexual division of care work (Withers 2016). The decline of traditional livelihoods alongside the feminisation of export production has meant that women have frequently supplanted men as the primary income earner; yet resultant crises of masculinity have tended to reinforce, rather than compensate for, the gendered allocation of reproductive labour (Withers 2016). Female migrants’ emphasis on their children’s education might thus be construed as an extension of socially-ascribed care duties, whereas male migrants’ greater concern with starting a business is perhaps reflective of the need to find new avenues of income in lieu of decent employment within traditional occupations. That male and female migration are, within a single household, typically mutually exclusive supports this interpretation. Although diminished, men’s local
incomes can contribute to day-to-day consumption costs, thus freeing up women's remittances for large investments in housing and education. Conversely, if men's migration necessitates women residing at home (i.e. isolated from centralised labour markets) their remittances will likely have to cover day-to-day consumption in addition to competing business or housing objectives.

That migrants feel compelled to travel abroad in order to sufficiently educate their children and safeguard their future employment opportunities speaks to two structural features of Sri Lanka's uneven development, both with common origins in neoliberal restructuring: polarising income inequality across skill categories and the increasing *de facto* privatisation of the national education system.

The first of these issues has, by and large, already been discussed: declining working conditions for Sri Lanka's poor, and particularly those dependent on rural livelihoods, have been borne from the 1977 economic reforms and the government's implicit abandonment of prior commitments to providing decent, decentralised employment. Intensified capital accumulation following the deregulation of the economy has overseen the concentration of FDI and local capital into select 'growth industries' (predominantly within the service sector) with slim tiers of highly-skilled employment: finance, information technology (IT), business process outsourcing (BPO), tourism, retail and hospitality. Incomes within these service industries are substantially higher than the national average and dwarf the incomes of those, like many migrants, straddling the national poverty line (DCS 2014, 19). Historically, access to these jobs, along with desirable public service positions (IPS 2013a, 68), has been governed by a mixture of discriminatory techniques. Colombo's elite schooling institutions, whether public or private, have long been the domain of the urban bourgeoisie and function as veritable incubators for those working in the best-paid professional and administrative vocations. Exclusion, absolutely by gender and partially by class and ethnicity, amongst the most reputable elite schools – Royal College and S. Thomas, both modelled on Eton College – serves to highlight the degree to which education overlaps with patriarchal ethno-nationalism in producing differentiated working entitlements.

Sri Lanka's increasing polarisation of incomes across skill categories has occurred hand-in-hand with declining standards of public education and healthcare resulting from
dwindling government investment in the universal welfare framework erected following independence (IPS 2013a, 142). Instead, the steady privatisation of the education system – evidenced by the growth of private schools and tutoring (IPS 2013a, 144) – has shaped the pathway towards acquiring 'decent education' and vocational prospects. Within this privatised system, burgeoning expenditure by relatively wealthy Sri Lankans on private tertiary and vocational training ensures a continuity between class background and access to decent employment, to the obvious detriment of the poor who remain dependent on under-funded public schooling, which in itself is often abandoned out of the necessity to work (IPS 2013a, 70). Similarly, a proliferation of private healthcare expenditure amongst Sri Lanka's 'middle class', amidst the government's declining commitment to public health infrastructure (Abeykoon 2002), reflects a shift in who is able to access quality care. Thus, somewhat paradoxically, the working poor within a country that has historically prided itself on a universally free education and healthcare system (and resultantly healthy human development indicators) feel compelled to migrate in order to afford private services that may improve their children's prospects.

However, as the senior director at IPS explained, these priorities may also become more important throughout the course of migration: “Although there is free education and free healthcare the whole system has become so very complicated and cumbersome. The quality of services has deteriorated in both health and education. For migrants, the type of education they are looking for you may not get from the present education system. And even in the health care system they maybe not be satisfied with the quality of state hospitals because, after all, these migrants experience better quality facilities abroad and they would have heard about better education systems in those countries. So since the aspirations are high they would like to go for private health insurance, pay for a better education, all this comes with the broadening of the mind”.

Migrants' desires to start a business are the product of the same climate of underdevelopment, but typically address returnees' own ability to earn a sustainable income upon reintegration, distinct from educational investment as an intergenerational strategy to secure a 'good life' for the family. Ambitions to invest in some form of business were consistent across rural and urban contexts, reflecting the prevailing inadequacy of local employment for the working poor in both milieus. It also speaks to the growth of what has, perhaps too leniently, been branded Sri Lanka's 'middle class', within which
small business owners are a key constituent (IPS 2013a, 56). Short of possessing the educational qualifications necessary to find work in formal sector employment, informal self-employment is construed as migrant returnees' most promising avenue for improved local earnings and upwards social mobility. However, the experiences of returnees interviewed suggested that achieving business or self-employment outcomes from migration were fraught with complications.

The difficulties associated with turning remittance income into sustainable investments, and reintegration more broadly, are considered in the following section.

**The Challenge of Reintegration: Investment, Subsistence and Dependency**

**Remittance Expenditure**

When surveyed, migrant returnees were asked to identify the main categories of remittance expenditure that occurred during and after their migration in order to juxtapose previously established remittance priorities against their actual expenses. Again, disaggregated by gender, the results reflect a clear disparity between anticipated and actual remittances uses. For women (Table 4.3), housing emerged as the predominant category of remittance expenditure, consistent with pre-migration priorities, albeit with diminished frequency on account of unanticipated categories of expenditure. Debt repayments, jewellery and clothing purchases, day-to-day consumption and healthcare all featured more significantly than was expected prior to migration, redirecting anticipated remittance use from housing and education alike. For men (Table 4.4), the effects were more pronounced, with housing and business expenses featuring far less than anticipated, while debt repayments and day-to-day consumption commanded dramatically increased proportions of remittance expenditure. In both cases a number of 'other' expenses arose, most often related to marriage arrangements and dowries, while 'NA' cases represent situations where no expenditures were able to be made due to foreign employment being cut short by illness or income being withheld by employers.
Narrowing the focus of analysis to patterns of investment relative to subsistence consumption, it becomes apparent that business outlays commanded a much slimmer percentage of primary remittance expenses than anticipated, while the opposite was true of day-to-day consumption. This inversion of expectations takes on further significance when considering the frequency with which any form of business expenditure was made in each fieldwork location (Table 4.5). With debt repayment accounting for 32 percent of primary remittance expenditures in Negombo and 44 percent in Thavapuram – as opposed to 12 percent in both Pilani and Polgahawela – it is unsurprising that business investments were least common in the two most impoverished communities. Moreover, with Polgahawela already a merchant community with a favourable migration culture and Pilani experiencing informal self-employment opportunities tied to local tourism, there

### Table 4.3 – Top Remittance Expenditures for Women

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>2</td>
<td>3.4</td>
</tr>
<tr>
<td>Consumption</td>
<td>4</td>
<td>6.8</td>
</tr>
<tr>
<td>Debt Repayment</td>
<td>10</td>
<td>17.0</td>
</tr>
<tr>
<td>Education</td>
<td>7</td>
<td>11.9</td>
</tr>
<tr>
<td>Healthcare</td>
<td>2</td>
<td>3.4</td>
</tr>
<tr>
<td>Housing</td>
<td>24</td>
<td>40.7</td>
</tr>
<tr>
<td>Jewellery and Clothing</td>
<td>4</td>
<td>6.8</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>3.4</td>
</tr>
<tr>
<td>NA</td>
<td>4</td>
<td>6.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>59</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

### Table 4.4 – Top Remittance Expenditures for Men

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>2</td>
<td>4.9</td>
</tr>
<tr>
<td>Consumption</td>
<td>8</td>
<td>19.5</td>
</tr>
<tr>
<td>Debt Repayment</td>
<td>15</td>
<td>36.6</td>
</tr>
<tr>
<td>Housing</td>
<td>11</td>
<td>26.8</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>9.8</td>
</tr>
<tr>
<td>NA</td>
<td>1</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
are differences of place and practice that may go some way in accounting for higher business expenditure in those communities. Nonetheless, the implications are intuitive: those who are most disadvantaged are least likely to engage in business.

Table 4.5 – Business Expenditures by Location

<table>
<thead>
<tr>
<th>Location</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negombo</td>
<td>5</td>
<td>20.0</td>
</tr>
<tr>
<td>Pilani</td>
<td>10</td>
<td>40.0</td>
</tr>
<tr>
<td>Polgahawela</td>
<td>9</td>
<td>36.0</td>
</tr>
<tr>
<td>Thavapuram</td>
<td>3</td>
<td>12.0</td>
</tr>
</tbody>
</table>

* Totals: 25 participants per location, 100 overall

Business Investments

Business investments, like education expenses, can encompass a broad array of outlays. These were seen to range from merchant trading to shopkeeping and sole-traders to a diverse spectrum of informal self-employments such as operating a trishaw, home textile work, food preparation and handicraft production. Gendered differences occur here too, as men tended to start business ventures with the aim of providing the primary income stream for the household, whereas women were often involved in less lucrative home production, perhaps reflecting the greater social pressures associated with the decline of traditionally male livelihoods. In general, however, the majority of remittances spent on business tended to amount in small expenditures on home production (such as selling beedis\(^{17}\), making tea cloths or trading livestock) or ‘one-off’ asset purchases (such as a trishaw, van or fishing boat) enabling informal self-employment capable of generating subsistence income. In only very few instances were larger investments made, and such businesses failed as often as they succeeded.

One woman from Pilani – the most successful interviewed in that community – used remittances from her time abroad to start a home textile business, which has since become the main livelihood for the family. The impact of her migration was profound, both for her immediate family and her siblings, but she was quick to acknowledge the good fortune of obtaining a company-arranged visa to work abroad, first in garments and then nursing: “I

\(^{17}\) Hand-rolled cigarettes.
supported my siblings by paying for their education, which allowed them to get good jobs as a teacher and a police officer. Migration also allowed me to open my business, which we have since lived off. I was successful because I was able to get a company visa and work in decent conditions. A company visa is very good.”

Conversely, an elderly man from the same street lamented his decision to migrate, as he gave up a stable job driving a bus for the Ceylon Transport Board in the hope of using remittances to start a business in tourism: “I did manage to save for a van to do guided tours, but it was an outdated model and I had not enough English, so the business failed. Everything changed for the worse. I had no benefit, I only lost my CTB job by taking a gamble on migration”.

In most cases, however, spending money on business ventures was clearly not possible. When asked whether any remittances were put towards business investments, a young woman from Polgahawela replied, “No. I could not save money for that. My earnings were just enough to look after my kids. I spent it to bring up the children and for household expenses. Therefore, I could not save anything during my two years of stay”. Another man, from Pilani, simply laughed, “what nonsense, we could do nothing at all with the money”.

Migrants’ general struggle to realise business aspirations, and even then doing so almost exclusively by way of menial self-employment, speaks to the general challenge of reintegration facing returnees. Even in Pilani and Polgahawela, where remittances were more often spent on business, daily expenses were as often a primary remittance expense as in Negombo and Thavapuram, and were therefore seen as a ubiquitous component of remittance expenditure regardless of location. This reflects both the limitations of foreign earnings – particularly once recruitment costs, underpayment, foreign expenses, remittance fees and unplanned purchases are accounted for (discussed further in Chapter Five) – as well as the steep cost of living in Sri Lanka. When speaking to migrant returnees it was not uncommon to hear that migration had brought little or no benefits to the family, despite a lengthy time spent working abroad18. Instead, the main outcome of migration had been to oversee household subsistence with remittance income, sometimes to no

18 On occasion this reflected a mismanagement of remittances by family left behind, but 84 percent of respondents said they were happy with the way remittances had been spent by their families left behind, the remaining 16 percent of discontented respondents also including those who had income withheld and could not remit.

106
greater effect than by working within Sri Lanka.

A Polgahawela man explained his experience after two years abroad, “I returned home the same as the way I left. Had I been here during that time, I could have earned Rs 1000 per day and had a good time with my family. Instead, I left the children and went there for a low salary job. Thinking about this situation, I was worried a lot there”.

When asked whether his family had benefited from his migration, a middle-aged man from Pilani lamented simply, “No. Because everything I earned went into paying the loan I took to leave”.

His neighbour, a young mother, was similarly regretful, having spent a year and a half in Saudi Arabia, “My only happiness is that the children could eat something at home. Other than that, there was nothing to be happy or satisfied about the money I earned and sent back to Sri Lanka”.

While subsistence could generally be achieved during migration, migrants faced difficulty channelling remittances into sustainable income-generating activity – by investment or employment – upon their return to Sri Lanka. Only 31 percent of all returnees reported that their family had received any employment or income-earning benefits from their migration, with those responding affirmatively including those who subsequently helped another family member find work abroad. This was particularly true of the more disadvantaged communities in Negombo and Thavapuram, whose relative lack of reported employment benefits are highlighted in Table 4.6. Indeed, even those who had been successful in fulfilling more straightforward ambitions, such as building a house, were seen to have made multiple trips abroad in order to do so. Returnees were increasingly likely to report beneficial outcomes from foreign employment the more stints of foreign employment they had made. Only after three separate trips had been made was migration seen to be clearly beneficial for the household (Table 4.7), notwithstanding a potential self-selection bias in that migrants are unlikely to continue working abroad if the experience is not proving beneficial.
Table 4.6 – Employment Benefits by Location

<table>
<thead>
<tr>
<th>Location</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negombo</td>
<td>7</td>
<td>28.0</td>
</tr>
<tr>
<td>Pilani</td>
<td>11</td>
<td>44.0</td>
</tr>
<tr>
<td>Polgahawela</td>
<td>11</td>
<td>44.0</td>
</tr>
<tr>
<td>Thavapuram</td>
<td>2</td>
<td>8.0</td>
</tr>
</tbody>
</table>

* Totals: 25 participants per location, 100 overall

Table 4.7 – Overall Benefit by Number of Trips

<table>
<thead>
<tr>
<th>Number of Trips</th>
<th>Frequency</th>
<th>Beneficial Migration Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>42</td>
<td>47.6%</td>
</tr>
<tr>
<td>Two</td>
<td>34</td>
<td>58.8%</td>
</tr>
<tr>
<td>Three</td>
<td>8</td>
<td>100.0%</td>
</tr>
<tr>
<td>More than Three</td>
<td>16</td>
<td>87.5%</td>
</tr>
</tbody>
</table>

* Totals: 100 participants

This finding is corroborated by a broader migrant reintegration study by the ILO in Colombo, which demonstrates that the number of separate trips undertaken is a key determinant of positive migration outcomes (ILO 2013b). Instead of resulting in development-catalysing entrepreneurship, it is clear that for a majority of the returnees interviewed foreign employment was largely a means of subsistence, requiring multiple trips to attain tangible benefits and offering little by way of sustainable income prospects upon return. As the CMRD director pointed out, the struggle to make business investments tenable is often a trigger for repeat migration: “They would come back and say, you know, we tried to open a business but we couldn’t make any money from it. They are basically losing their money back in Sri Lanka, but they need to keep finding ways to keep maintaining the income, so they decide to migrate again”.

Remittance Dependency: Repeat and Flow-on Migration

For the returnees interviewed, forced migration took on an iterative and intergenerational aspect. The same conditions of uneven development causing Sri Lanka’s working poor to pursue temporary labour migration, in conspiracy with the generally adverse conditions of employment in the Gulf, prevented returnees’ remittances from financing sustainable benefits upon their return. Struggling to reinte...
(ILO 2013b), migrants frequently engage in repeat migration in order to sustain the remittance transfers that the household may now be reliant upon (Brochmann 1993).

As an officer within the Department of Labour put it, “Rural areas have high unemployment – only one class is doing this thing [migration]. Repeat migration happens because returnees expect debt and financial difficulty in Sri Lanka and so they go again”.

Women tended to repeat migrate more often than men (Table 4.8), perhaps reflective of domestic worker migration being a comparatively cheaper and more reliable source of income than men’s foreign employment. Alternatively, some households practice ‘flow-on’ migration, in which another family member travels abroad to preserve this stream of remittances. This often entails a returnee’s spouse making a stint abroad to do their part in earning for the family, but also extends to situations where migrants’ hopes for their siblings’ or children’s employment prospects are eventually played out by securing foreign employment, perhaps under slightly more favourable circumstances by paying higher recruitment fees for skilled placements. In all cases, difficulty finding commensurate local employment upon reintegration – particularly if changing consumption habits or incomplete investments have placed additional demand on household finances – makes the resumption of foreign employment hard to avoid.

Table 4.8 – Repeat Migration

<table>
<thead>
<tr>
<th>Number of Trips</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>37.3%</td>
<td>48.8%</td>
</tr>
<tr>
<td>Two</td>
<td>33.9%</td>
<td>34.2%</td>
</tr>
<tr>
<td>Three</td>
<td>10.2%</td>
<td>4.9%</td>
</tr>
<tr>
<td>More Than Three</td>
<td>18.6%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Housing projects and iterative lifestyle changes can be particularly path dependent in this manner. Discussing migrants’ ambition to build housing from remittances, a program officer on the SDC’s migration project observed: “Maybe a few of them take initiative to build houses or they start building houses, but it’s a process in which you need more money, so two years of contract is inadequate. You would start, but you are unable to continue... Of course there is no plan for the house at first and they also do not really know how to build
such a big house. How much money will they need? Will they be able to earn that money within the two years of contract? So they don’t plan according to what they would be able to gain. It’s all that they want... they want to build a big house, but a two year contract and the money that goes into that is not adequate to build the house, look after children, look after the day-to-day expenses and so on”.

Speaking in a similar vein, the ILO project officer remarked on the cumulative causation of lifestyle adjustments enabled by an initial migration: “Your children say ‘Mum, we need something bigger. Why don’t you go overseas again and earn it and come back.’ So then the family tends to depend on the money the mum sends and then they don’t want her back; they want her to constantly be overseas and have a regular flow of income. Sometimes when she comes back, they continue to lead the lifestyle of when money was coming regularly. And then they get into even more debt because their lifestyles don’t change with the change in income. And then that causes people to keep going again”.

A contradiction thus takes shape at the intersection of forced migration and migrants’ aspirations for a 'good life' defined by and large by access to basic goods, decent employment and intergenerational well-being. The inability to realise these goals within Sri Lanka’s prevailing climate of underdevelopment forces migrants abroad into foreign employment under a range of unfavourable circumstances, with structures of uneven development, location-specific migration practices and individual circumstances all contributing to the extent to which remittances can be put towards intended use. However, short of sustainable business investment or otherwise achieving sustainable incomes upon reintegration, the partial realisation of other goals – housing, education, greater disposable incomes and comfortable lifestyles – establishes a path-dependency on repeat migration that can span decades of an individual’s life or flow-on migration that entails multiple generations working abroad for survival.

**Demythologising Migrant Entrepreneurship**

Perhaps the most salient feature of the migration optimists (Ghosh 2006; World Bank 2006a; Ratha 2007; UNCTAD 2013) and self-styled 'neutrals' (de Haas 2012) shaping mainstream migration-development policy and discourse has been the intertwined concepts of remittance-led development and migrant entrepreneurship. Within this
purview migrants are framed, explicitly or implicitly, as 'agents of development' whose remittances provide macroeconomic stability and overcome the 'credit constraints' otherwise encumbering their ability to engage in entrepreneurial activity and self-help poverty alleviation. It is a vision of temporary labour migration consistent with neoliberal notions of development that see welfare as a private expense rather than a public investment, in many respects analogous to the earlier proliferation of micro-finance schemes as a free market developmental panacea. Speaking at the launch of the World Bank’s Global Knowledge Partnership on Migration and Development (KNOMAD) in 2013, Chief Economist Kaushik Basu encapsulated this optimism:

“Migration and remittances offer a vital lifeline for millions of people and can play a major role in an economy's take-off. They enable people to partake in the global labor market and create resources that can be leveraged for development and growth” (World Bank 2013)

KNOMAD’s founder and lead economist of the World Bank's Migration and Remittances Unit, Dilip Ratha, is more candid in envisioning how remittances feed into local development, outlining a decidedly neoliberal agenda to financialise remittances while curtailing 'inefficient' intrusions of the state:

“Migrant remittances are the most tangible and perhaps the least controversial link between migration and development... They play an effective role in reducing poverty. Since remittances are personal flows from migrants to their friends and families, they tend to be well targeted to the needs of the recipients. And these flows typically do not suffer from the governance problems that may be associated with official flows. Remittances should not be taxed or directed to specific development uses. Instead, the development community should make remittance services cheaper and more convenient and indirectly leverage these flows to improve the financial access of migrants, their beneficiaries, and the financial intermediaries in the origin countries” (Ratha 2007)

The complex and under-theorised macroeconomic implications of remittances is the subject of Chapters Seven and Eight. Of more immediate concern is the discord between the mythology of 'migrant entrepreneurs' and the experiences of Sri Lankan returnees. On normative grounds, the insinuation that remittance expenditures on housing, education,
healthcare and basic consumption are conducive to ‘investment’ in positive developmental outcomes is rejected. That access to these basic goods have been framed as private financial burdens, theshouldering of which necessitates the pursuit of foreign employment under the most exploitative of circumstances, speaks more to the ideological nadir of developmental governmentality than it does the 'potential' for remittances to deliver positive economic outcomes. However, when considering the prevalence of explicitly 'entrepreneurial' remittance uses – i.e. the proportion of migrants’ income spent on capital investment relative to that spent on basic goods and general subsistence – it is readily apparent that such ambitions, where they did exist, were routinely frustrated. Across all four fieldwork locations it was seen that aspirations to invest in business were left largely unrealised upon reintegration, with remittances more heavily directed towards day-to-day consumption and basic goods than was anticipated prior to migration. Moreover, where business investments were made, they often took the form of informal self-employment (with limited potential for income generation) or resulted in failed ventures that left migrants financially precarious once more. Unpacking these outcomes demonstrates a conspicuous absence of 'migrant entrepreneurship' amongst the returnees surveyed, instead uncovering a common tendency towards subsistence expenditure that illuminates an iterative and intergenerational aspect to forced migration.

Conclusion

This chapter has examined the way in which structures of uneven development have shaped the causes for and outcomes of temporary labour migration throughout Sri Lanka. Neoliberal economic restructuring has disrupted traditional livelihoods while channelling particular categories of labour into narrow and degraded job openings in export industries, resulting in unemployment and underemployment that, particularly in the rural economy, has amounted to conditions of forced migration. Migrants’ aspirations affirm this analysis, as the ‘good life’ sought across each of the migrant communities studied was seen to reflect little more than the basic outcomes of a sustainable livelihood. The outcomes of migration were, however, seen to intersect with prevailing underdevelopment in a manner that stifled key ambitions while fostering economic subsistence and a prevalent dependency on repeat or flow-on migration to sustain remittance flows. These findings challenged expectations of migrant entrepreneurship commonly voiced in mainstream migration-development literature. Yet, while uneven
development represents an encompassing structural impetus for forced migration, variations in migration outcomes across different migrant communities emphasise that experiences of migration-development are not uniform and cannot be adequately analysed from a structural level analysis alone. This recognition paves way for a more attentive analysis of the geographical and institutional nuances of place in the following chapter.
Chapter Five

The Cost of Being Exploited: Fees, Debt and the 'Merchants of Labour'

Overview

The previous chapter explored how the causes and outcomes of Sri Lankan temporary labour migration are intimately tied to processes of uneven development, varying across fieldwork location but nevertheless converging upon a collective experience of forced migration. This chapter further analyses the manifestation of structural inequalities through the medium of place by unpacking the localised practices of the 'merchants of labour' and the disparate costs and conditions of migration they produce. Locational differences in the extent of recruitment fees and migration-related debt further suggest that processes of uneven development have, in turn, produced uneven migration experiences that exacerbate underlying developmental contradictions. Place – representative not only of the geographical manifestation of class, gender and ethno-religious structures, but also the networks and institutions that bind their interactions with one another and the broader economy – is fundamental in mediating the interplay between individual experiences and overarching constraints. Building on the previous chapter's depiction of distinctive migration cultures emerging across each fieldwork location, this chapter explores the employment hurdles faced by each migrant community to demonstrate how the 'merchants of labour' employ strategies to exploit communal practices encumbered by their spatial fixity.

As in Chapter Four, qualitative and quantitative fieldwork data is used extensively in order to discuss the costs and conditions of temporary labour migration with direct relation to the lived experiences of migrants themselves. The first part of the chapter addresses the cost of migrating and prevalence of debt across each of the four fieldwork locations, exploring research finding that suggest the most socio-economically disadvantaged migrate under the most difficult circumstances. In the following section, these uneven costs and conditions of migration are analysed in relation to pertinent local institutions, emphasising the relationship between geography, communal knowledge and the strategies
employed by agents and intermediaries, demonstrating how recruitment practices map onto, and strategically exploit, patterns of uneven development. Finally, the chapter reflects on popular responses to migrant exploitation, navigating the tense coexistence of a patriarchal media backlash to women's migration alongside a muted policy impetus to promote further migration.

The Demographics of Debt

Recruitment Methods and Associated Expenses

Temporary labour migration has been accompanied by the proliferation of private recruitment agencies that coordinate the supply of Sri Lankan labour to foreign employers (ILO 2013a, 17). Despite modest policy reforms designed to tighten recruitment practices and cap fees, most notably the SLBFE Act 21 of 1985, private agencies continue to thrive within a loosely regulated environment and constitute a major local industry. Of the three major pathways for arranging foreign employment – through recruitment agencies, the SLBFE or personal contacts – private recruiters have historically dominated and continue to account for 60 percent of current placements (ILO 2013a, 12). Recruiters make commission on foreign job orders, but also derive profits from charging recruitment fees to prospective migrants in Sri Lanka, making most job placements via a private agency a substantial expense. Domestic worker migration has been a partial exception to this practice, as legal reforms to fee structures for low-salary positions in 1994 (ILO 2013a, 9-10) combined with high demand for domestic workers from foreign employers have meant that recruiters will often offer more favourable terms to fill job orders. For other categories of migrant workers the charging of exorbitant recruitment fees, well above the maximum amount stipulated by the SLBFE, remains rife (ILO 2013a, 24). Yet with migration through private contacts either dependent on pre-established networks or equally as costly, and state provisioned recruitment narrowly focussed on limited bilaterally-agreed contracts, private recruiters retain a stranglehold on arranging foreign employment contracts (ILO 2013a, 11-14). A slew of associated expenses – including medical costs to secure a clean bill of health, visa and passport fees, air tickets, mandatory insurance fees and mandatory training fees for domestic workers – are typically reflected in agency recruitment fees. Those migrating through a personal contact typically bear these costs on an ad hoc basis. Migrants’ relative reliance on these two principal strategies
for arranging employment, and the extent of the costs involved in either, were seen to vary across fieldwork locations and individual circumstances.

Quantitative data gathered from interviews with returned migrants suggested that the predominant means of arranging foreign employment was by way of recruitment agents, accounting for 70 percent of all departures. This is broadly consistent with SLBFE estimates, which identify that agency recruitment accounted for approximately 67 percent of foreign employment placements in 1999, the median year of emigration in the study (SLBFE 2012, 5). Private employment arrangements via family and friends comprised the next most common means of placement, followed by a single SLBFE placement and two anomalous instances of company-arranged job placements. This trend was broadly consistent across all fieldwork locations, with the exceptions of the Polgahawela Muslims, who experienced a notably more balanced proportion of agency arranged employment relative to private placements, and the Thavapuram Tamils, who were disproportionately reliant on recruitment agents (Table 5.1).

Table 5.1 – Method of Arranging Employment

<table>
<thead>
<tr>
<th>Recruitment</th>
<th>Negombo</th>
<th>Pilani</th>
<th>Polgahawela</th>
<th>Thavapuram</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family or Friends</td>
<td>28.0%</td>
<td>20.0%</td>
<td>40.0%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Private Agent</td>
<td>68.0%</td>
<td>72.0%</td>
<td>60.0%</td>
<td>80.0%</td>
</tr>
<tr>
<td>SLBFE</td>
<td>0.0%</td>
<td>4.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other</td>
<td>4.0%</td>
<td>4.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Variations in the method of arranging employment were, however, eclipsed by a more pronounced locational disparity in the actual expenses associated with arranging migration. Achieving a meaningful cross-locational comparison of these costs necessitated a limited examination of recruitment between 2000 and 2013, as the Thavapuram Tamils only began participating in temporary labour migration at the turn of the millennium and inflation-adjustment of earlier migrations from other locations were unfeasible due to the historical volatility of the Sri Lankan rupee. Disaggregating by gender and skill level, the data revealed that the average recruitment costs for the most typical categories of temporary labour migration (female domestic workers and male low-skilled workers) were substantially higher in Thavapuram relative to all other locations (Figure 5.1). In the case of Thavapuram’s domestic workers, the average expenses to arrange migration were
more than triple that of the other fieldwork locations over the same time period. Using the same criteria of comparison to assess the average income gained from these placements reveals that higher recruitment costs were not reflective of better job positions abroad (Figure 5.2). Indeed, male low-skilled workers from Thavapuram were seen to receive substantially less income than similarly skilled workers from other locations, despite paying notably higher fees to arrange their employment. These findings suggest that migrants from the most socially and materially disadvantaged community participated in foreign employment under the most costly circumstances.

**Figure 5.1 – Recruitment Costs 2000-2013**

![Recruitment Costs Chart](image1)

**Figure 5.2 – Migrant Incomes 2000-2013**

![Migrant Incomes Chart](image2)
Qualitative findings substantiated this apparent disparity, uncovering varying personal narratives of recruitment experiences across the four fieldwork locations. In communities with a long history of temporary labour migration, participants often discussed recruitment as a relatively simple process – either casually facilitated by friends and family, or arranged straightforwardly through a local agency. These lived experiences shed light on the relationship between place, the method of arranging employment and the costliness of those practices.

**Pilani and Negombo**

In Pilani, one woman explained how the recruitment agents facilitated her placement and covered the upfront costs, offering an interest-free monthly repayment plan as a means of financing the process: “The agency does everything. I didn’t pay anything, the agency took repayments from my salary. I got Rs 18,000 per month, the agency took Rs 3,000 per month”.

Another, living just a few doors down, also arranged her employment via a private agency, but hinted at the advantage of being able to utilise local knowledge to choose which recruiter to use: “Yes it was through an agency, but a person that we knew recommended the agency to me”.

In Negombo, similar themes emerged. A young mother recently returned from Saudi Arabia told that “We did not spend any money... They did not even charge me. They gave me the insurance and all and then they sent me”. When asked why she was not charged for her placement, she responded, “I don’t know. The agent said that they do not charge and they send for free. Previously I did not know that they even give money when we go. The first time I did not receive any money. But the second time they said that they will give me Rs 15,000 – but they gave only Rs 10,000”.

An earlier migrant domestic worker from Negombo was not subject to the same lack of fees, but could partially leverage her pre-existing employment in the nearby Katunayake EPZ to finance her placement: “I went through an agency. At that time it was Rs 25,000. I borrowed and I also had some money saved from my job at Katunayake. I pawned some jewellery to a bank as well. I can’t remember how much the interest was, but I earned there and paid it off”.

118
Other Negombo migrants were able to draw on established networks to arrange their employment through friends and family.

One woman, an older migrant, told of how easily this arrangement took shape for her: “No. I didn’t find out about any jobs. I had no brains to do that, so one of my friends sent a ticket and I decided to go... I asked this uncle to ask from his daughter to send me a ticket from a good place and in one week’s time I received a ticket from her. It was my decision and I gave Rs 2000 to my friend as an appreciation”.

Another, a more recent migrant worker, retold how she was actively recruited by a family friend: “Yes, I got the job through an aunt who had lived in Bahrain for 12 years. She said there is a need for someone to look after a baby and asked me if I would like to take the job. We had financial problems so I asked my mother if she could look after my child and I left for Bahrain to work as a nanny... I went to work for the sister of the madam my aunt was working for. She got me the ticket and then deducted the amount from my salary”.

In both Pilani and Negombo, there was a palpable sense that arranging migration was an established practice. A concentration of private agencies within these urban, Sinhalese communities – both with a long history of migration – makes it likely that competitively favourable recruitment practices have become a necessity of doing business. With potential migrants able to choose between a number of agencies in facilitating their employment, or perhaps draw on personal connections abroad, it would appear difficult for agencies to charge recruitment fees beyond what communal knowledge of migration practices stipulate as an acceptable price. Moreover, for some female domestic workers, prior access to stable employment opportunities in nearby EPZs mean that existing income can assist in financing whatever recruitment fees do arise.

As one woman from Pilani explained, her employment in a garments factory directly catalysed her trip abroad: “I only left the factory because I decided to go abroad. I wanted to go abroad with my friends from work... we paid about Rs 5000 each and went altogether”.

Polgahawela

In Polgahawela, where Muslims had been involved in temporary labour migration since its
very beginnings, even more favourable terms of recruitment were observed. For a number of Polgahawela migrants, including men seeking low-skilled work, visas were arranged primarily through friends or family already abroad and without charge.

One particularly successful migrant explained how he started working as a private driver in the UAE: “I got my visa and tickets sent from Dubai. I didn’t pay anything, I got it freely”. Another man received his visa freely from friends, only using recruitment agencies to find an employer: “Both the times, my friends sent me the visas and then I took the help of agents. I did not spend much on my journey”.

An older migrant woman, who left for Kuwait as a domestic worker in the 1990s, explained that she was paid a considerable amount by the agency through which she arranged her employment: “I went through an agency, they organised the visa and other matters... I didn’t pay, the agency had given money to me to go abroad, around Rs 30,000. No deductions, the agency had done everything for me, my medical and visa matters were also looked after by the agency before I was sent for foreign employment”.

Here migration was not only well-established, but a practice favourably shaped by heightened foreign demand for Muslim workers and a communal interdependency strengthened by religious ethics. West Asian employer preferences for Muslim workers are well-documented (Gamburd 2000, 62), translating into higher commission for recruiters able to supply such workers, likely undercutting the importance of profiting from recruitment fees. Contrarily, it makes sense that recruitment agents would offer cash incentives to Muslim workers in order to fulfil these more lucrative job orders. Moreover, adherence to the Islamic pillar of Zakat, within which riba (any excess over and above the principal loan, such as interest) is considered haram, was seen to eventuate in altruistic practices of ‘paying forwards’ the cost of migration. This involved existing migrants arranging visas and employment free of charge for friends and family at home, with the expectation that the recipient would subsequently extend the favour to other prospective migrants within the community. The costs associated with arranging employment in Polgahawela were, in this sense, greatly reduced. This affirms other research findings that suggest migrants using informal networks are more likely to express satisfaction and report ‘success’ than those using recruitment agents (Shah 2000).
In contrast, insights into the experiences of Thavapuram migrants revealed less surety in arranging migration, including the costs to be paid and the trustworthiness of private agents and brokers.

One woman, having recently returned from Jordan, spoke of paying recruitment fees far greater than agencies would be able to charge in other parts of the country: “I went through an agency. I paid Rs 100,000. This amount included training, medical and other charges”. Having emigrated as a domestic worker in 2008, long after limits to domestic worker recruitment charges had been established and amid high demand from foreign employers, there should have been no fee levied at all.

The severity, and arbitrariness, of these charges are highlighted by the more lenient arrangement experienced by a neighbour, migrating as a domestic worker just two years later: “I went through an agency – we didn’t spend. They gave Rs 20,000 and even paid for my passport”. However, the agency was complicit in glossing over the potential hardships of the job: “The first month was so difficult – they beat me and then I went to another house because they didn’t pay my salary. The agency said the work is good and easy, so I didn’t think about it much”.

Elsewhere in the community, a young man seeking low-skilled work expressed uncertainty regarding the substantial placement costs he paid to an agency: “The first time I went via an agency to Saudi Arabia and my second time my brother sent a visa and I went to Qatar... My first time I didn’t know about this matter of what amount I should pay to go there and I spent Rs 25,000 for a medical matter because they said I was sick. In total I paid Rs 145,000”.

Another man, who had recently returned from working as a mason in Qatar, explained that even arranging foreign employment by way of private contacts was very costly: “Someone, a friend of my friend, sent me a visa and I spent nearly 110,000 on the process. I gave 60,000 to the person who sent the visa”.

As suggested by the quantitative snapshot provided earlier in the chapter, migrants from Thavapuram were seen to experience greater costs in arranging migration, most likely
arising from a limited community understanding of migration practices and recruitment standards found elsewhere in Sri Lanka. With labour migration having only taken place in any substantial way since the turn of the millennium, there was not the same measure of experiences and existing migrant networks to draw upon. Moreover, being geographically isolated from urban centres – where recruitment agencies and SLBFE offices are concentrated – it would appear that those agents who are active in remoter communities like Thavapuram exercise a monopolistic presence. Given that arranging migration commands such an expense, it would appear that private contacts who are capable of facilitating placement might likewise be inclined to gain from these lucrative fees by charging similar amounts in return for visa and work arrangements. This practice of extorting informal 'recruitment fees' has been documented as part of the ILO’s research into strategies of arranging foreign employment (ILO 2013a, 14).

Migrant Indebtedness

The previous section established that participation in temporary labour migration was disproportionately expensive for the most underdeveloped community studied. However, the need to pay higher placement costs with relatively less financial and material assets poses a secondary dilemma regarding the availability of financing options and the prevalence of debt amongst returnees. Findings suggested that locational differences in the expenses associated with the arrangement of foreign employment were compounded by significant disparities in the levels of migration-related indebtedness that returnees experienced within each community. Quantitatively, this relationship – i.e. between varying recruitment costs, structural disadvantage and migration-related indebtedness – is explored across each community through three data points: the methods of financing recruitment costs, the prevalence of migration-related loan repayments as a remittance expense, and the severity of debt expressed as the length of loan repayments.

Methods of Financing Costs

Migrants were seen to rely on a variety of means to finance the costs associated with migration, be they all-inclusive recruitment fees or private expenses for visas and tickets. Three general strategies can be identified: reliance on personal assets (including savings, pawned jewellery and mortgaged housing); non-interest loans from friends, family and
agents (which may or may not entail repayment); and high-interest loans from local moneylenders. The ability to pursue one strategy over another is reflective of the degree to which individual agency has, through the intermediary of place, been restricted by structural inequalities. Generally speaking, those with material assets can afford to self-finance migration; those who have less resources but are anchored within a strong community can instead borrow from friends and family; while those with neither assets nor a developed community are limited to private loans which, in the absence of collateral, are invariably subject to high interest.

Table 5.2 demonstrates the extent to which each fieldwork location used particular financing strategies, corroborating this analysis. In Negombo a combination of private assets (albeit very little in the form of savings) comprised the main method of financing, followed closely by borrowing from friends and family and a 20 percent reliance on moneylenders. In Pilani the composition is similar, with moneylending again accounting for 20 percent, but with community lending taking precedence over private assets (the majority of which were savings). Polgahawela stands apart, as no migrants were reliant upon moneylenders. Loans from friends and family accounted for almost half of all financing methods, the remainder of which came largely from savings and assets. Yet most telling is the pattern of financing in Thavapuram, where 68 percent of migrants were reliant on moneylenders, while the rest pawned jewellery and mortgaged their houses in lieu of savings or communal lending.

Table 5.2 – Method of Financing Employment

<table>
<thead>
<tr>
<th>Category</th>
<th>Negombo</th>
<th>Pilani</th>
<th>Polgahawela</th>
<th>Thavapuram</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agent Loan</td>
<td>0.0%</td>
<td>0.0%</td>
<td>8.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Family or Friends</td>
<td>24.0%</td>
<td>36.0%</td>
<td>44.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Moneylender</td>
<td>20.0%</td>
<td>20.0%</td>
<td>0.0%</td>
<td>68.0%</td>
</tr>
<tr>
<td>Mortgaged House</td>
<td>16.0%</td>
<td>4.0%</td>
<td>0.0%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Pawned Jewellery</td>
<td>8.0%</td>
<td>0.0%</td>
<td>8.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Savings</td>
<td>4.0%</td>
<td>20.0%</td>
<td>20.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other</td>
<td>20.0%</td>
<td>8.0%</td>
<td>8.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>NA</td>
<td>8.0%</td>
<td>12.0%</td>
<td>12.0%</td>
<td>16.0%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Prevalence and Severity of Debt

The composition of financing strategies within each fieldwork location appeared to have direct implications for the prevalence and severity of migration-related indebtedness.

The prevalence of migrant debt amongst each community was examined by simply measuring how many migrants spent a portion of their remitted income repaying migration-related loans. In Negombo this amounted to 56 percent of migrants. In Pilani and Polgahawela, where communal loaning and private savings were highest, 44 percent of migrants spent remittances on loan repayments. In Thavapuram, where reliance on moneylenders was rife, 80 percent of migrants used remittances to finance debt.

However, gauging the prevalence of loan repayments offers only a partial characterisation of indebtedness. More telling is the amount of time that was taken to repay the loan, as this holistically portrays the interrelationship between the size of the loan, the interest charged and the amount of foreign income earned to facilitate repayment. Table 5.3 shows how these repayment periods varied by location. Analysed in this light, most migrants from Negombo and Pilani were seen to pay off their migration-related debts within six months of commencing foreign employment, while relatively few were still financing loan repayments beyond the first year abroad (although long-term debt remained more common in Negombo). In Polgahawela, 40 percent of migrants repaid loans within six months, with very few individuals continuing to live in debt beyond this timeframe. In Thavapuram, however, not only was debt the most prevalent, but also the most severe: very few migrants had paid off their debt within the first year, with most migrants either indebted for multiple years or still encumbered by repayments.

The greater proportionality of recent emigrations from Thavapuram only partially accounts for the high number of migrants still repaying debt; departures taking place after 2010 only account for 40 percent of migrants within this category, suggesting that at the time of research (2014) the majority of those still repaying loans had been encumbered by debt for anywhere between four and eleven years. This severity of structural indebtedness was not observed in any other fieldwork location.
Table 5.3 – Length of Debt Repayments

<table>
<thead>
<tr>
<th>Category</th>
<th>Negombo</th>
<th>Pilani</th>
<th>Polgahawela</th>
<th>Thavapuram</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than Six Months</td>
<td>24.0%</td>
<td>24.0%</td>
<td>40.0%</td>
<td>16.0%</td>
</tr>
<tr>
<td>Less Than One Year</td>
<td>12.0%</td>
<td>20.0%</td>
<td>4.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>One to Two Years</td>
<td>12.0%</td>
<td>8.0%</td>
<td>8.0%</td>
<td>12.0%</td>
</tr>
<tr>
<td>More Than Two Years</td>
<td>12.0%</td>
<td>4.0%</td>
<td>0.0%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Still Repaying</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>40.0%</td>
</tr>
<tr>
<td>NA</td>
<td>40.0%</td>
<td>44.0%</td>
<td>48.0%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

The personal reflections of participants in Thavapuram give greater insight into how the spatial and institutional context of place has produced such significant debt amongst migrant returnees.

One man, when asked about the conditions of his loan, explained: “I took a loan but didn’t know the interest rate. It took almost two years to pay off. I didn’t get enough income to pay it off soon”. When asked how his remitted income was spent, he provided a telling glimpse into how high recruitment costs, a lack of financial resources and poor working conditions could easily conspire to produce acute indebtedness: “I paid off debts and did nothing else – it had almost doubled after interest”.

Another male migrant in the community told of a similar outcome: “I thought migration would mean earning a bit more money to improve my fishing business. I paid off the interest and debt, but only brought Rs 4000 when I returned”.

Furthermore, it became clear that migration and debt bore another kind of relationship in Thavapuram, wherein paying off pre-existing debt – accrued in lieu of stable local employment – was sometimes the primary reason for pursuing foreign employment in the first place.

When asked what her pre-migration goals were, a recently returned domestic worker explained, “I thought of paying off my debts, which were over two lakh19. I paid one lakh, but after coming back I applied for another loan to settle the rest. I had many plans – to build a house, spend for the kids, etc – but nothing materialised”.

19 A lakh is a denomination of currency, used throughout South Asia, that represents 100,000 rupees
The common shortfall of this strategy was encapsulated by the experiences of another returnee who sought foreign employment for the same reason. When asked how his remittances were spent, he said, “The money was used purposively, but only repaid our debt. Beyond that, I had to repay debt from the ticket fees and had to pay interest money on top of that – too much of a financial problem. I didn’t have a good life from foreign employment and I only finished repaying one debt, but now have to settle more, so I’m not happy”.

These experiences all hint at the formation of a contextually-specific condition of uneven migration in Thavapuram where civil war, economic marginalisation and a dearth of migration knowledge have together culminated in an environment where migrants are subjected to prohibitive recruitment fees prior to migration and severe debt upon return. The previous chapter revealed that temporary labour migration had, across the board, brought little of its presumed economic benefits to the returnees interviewed. Yet while inordinate fees, extortionate loans and migrant indebtedness were experienced by some returnees in other fieldwork locations, in no other community was it observed with the same prevalence and severity as it was in Thavapuram.

In order to understand why the most disadvantaged community would migrate under the most costly and unrewarding terms, it is necessary to understand how the 'merchants of labour' navigate and exploit the geography of Sri Lanka's uneven development.

**Mapping the Merchants of Labour**

The term 'merchants of labour' has been used to describe the network of businesses facilitating temporary labour migration: foreign and local recruitment agencies, sub-agents, labour brokers, money transfer agencies, financiers and informal migrant networks that can negotiate foreign employment (ILO 2006). In Sri Lanka’s case, the government, too, joins the ranks of these merchants of labour, as the promotion of foreign employment has become a key developmental strategy (discussed further in Chapter Seven). No matter whether these institutions are operating in unison (as with foreign and local agencies) or in competition (as with informal migrant recruiters), their interrelationship at any given time defines the pathways and contours of the employment system characterising the 'supply' of migrant labour.
Focussing more narrowly on recruitment processes, the Sri Lankan ILO country office has partially mapped these interactions as they stand within the prevailing regulatory environment. Attention is given primarily to the interactions between local recruitment agencies, foreign agencies and employers, and the Sri Lankan government's foreign and domestic regulatory bodies: diplomatic missions and the SLBFE respectively. In short, foreign employers and agencies are required to register with, and submit all job orders to, the Sri Lankan diplomatic mission in their country, after which Sri Lankan agencies respond to these approved job orders by liaising with the SLBFE to acquire official grants for procurement and recruitment fees to be charged (ILO 2013a, 18).

Despite the importance of the regulatory shifts that have over time led to the current institutional framework, recognition that temporary labour migration unfolds in a context of uneven development places equal importance on the spatial dimensions of the recruitment system. This is most apparent in regards to the relationship between local recruitment agencies and prospective migrants. A relatively uncomplicated recruitment process, wherein local agencies fulfil job orders by recruiting migrant workers from a dormant 'job bank' of pre-registered migrants, may well exist in some urban settings where there is a sufficient mass of aspiring migrants. However, the preponderance of sub-agents and local labour brokers acting as private intermediaries between agencies and migrants suggest an altogether more complex chain of recruitment practices that take on explicit geographical characteristics.

Chapter Two described how an ingrained logic of accumulation by subordination, intensified through neoliberal restructuring of the economy, has positioned urban capital to exploit and marginalise vulnerable – and mostly rural – populations. Examining the geographical concentration of recruitment agencies (Figure 5.3) relative to the district-level distribution of departures (Figure 5.4) seems to reaffirm this pattern of uneven development. Recruitment agencies are overwhelmingly concentrated in Sri Lanka's largest urban centres, Colombo and Gampaha, while migrants themselves originate from a wide range of localities, and increasingly from the marginalised Northern and Eastern Provinces (SLBFE 2012, 44; IPS 2013b, 14).
With only a handful of local recruitment agencies operating in Sri Lanka’s more remote districts, unlicensed sub-agents play a fundamental role in recruiting migrants on behalf of registered recruitment agencies in Colombo and other urban centres. For example, in Batticaloa district – where Thavapuram is located – 2011 saw 16,163 departures despite there being just eight registered agencies in the area, only one of which sent more than 100 workers (SLBFE 2012, 44; 96; 103). Arranging foreign employment in these locations is therefore not a simple and mutually-enacted coordination between prospective migrants and local agencies. Rather, it entails a more complex chain of top-down recruitment that spans physical distance and encompasses the vested interest of multiple agencies.

Those few recruitment agencies that do exist are likely owned and operated as subsidiaries of established recruitment agencies elsewhere in the country – such as ‘Trans Gulf East’, a branch of ‘Trans Gulf’ in Colombo and Batticaloa’s largest recruitment agency (SLBFE 2012).
private actors, the most prominent of which are sub-agents, whose involvement as an intermediary in rural recruitment is modelled in Figure 5.5.

**Figure 5.5**

Sub-agents operate by extending the recruitment operations of registered agencies beyond their immediate area of business, travelling across Sri Lanka to fulfil existing job orders by enlisting prospective migrant workers, typically from rural communities or marginalised regions. Sub-agents will often employ labour brokers, generally well-respected points of contact within the local community, to help drum up interest and identify prospective migrants. In other instances, sub-agents are themselves embedded as trusted members of these communities.

As the project coordinator at the Colombo ILO office explained, “They [recruitment agents] have personnel asked to go to particular areas. Not that they originate from Colombo, Kurunegala or Galle, these are people who are well known in the community, who people trust and call 'big-brother', or 'uncle' or 'aunty' or whoever. So the sub-agents work on that trust. So sub-agents, either they are people who have gone overseas and come back themselves – previous migrant workers – or they are approached by someone from an agency saying 'look, I'll pay you this much, if you can get me ten people'. Because each licensed recruitment agency gets a quota, say 150 workers to Qatar for domestic work. So within a sixty-day period, they have to get the passport, get the pre-departure training done, get the visa sorted out and send them. So they pay people quick money to find the 150 people".
However, these additional links in the chain of recruitment means that there are a greater number of private actors seeking to make a return on the job order. Sub-agents and labour brokers tend to engage in malpractice and inflate recruitment fees in order to maximise their stake in arranging the supply of labour, yet as individual actors are difficult to regulate (ILO 2013a, 24). Moreover, recruitment agencies themselves are not held accountable for these practices, as sub-agents and brokers have no formal ties to the licensed agent handling the job order. For recruitment agencies, this practice offers a cheaper and less labour-intensive option of recruiting migrants from distant regions and disparate communities than establishing official subsidiary agencies in new locations. Meanwhile, the healthy earning potential of the unofficial merchants of labour embedded within this recruitment network— the sub-agents, labour brokers and moneylenders—provides cumulatively causative institutional reinforcement to underscore the path dependence of this recruitment strategy.

The strategy itself, however, is facilitated by a central feature of accumulation by subordination: the mobility of capital over the fixity of place. For the most marginalised, place denotes disadvantage expressed geographically as isolated communities with degraded local employment, weak institutions and an incomplete knowledge of migration practices.

When interviewed, the SDC program officer spoke to the importance of place in Thavapuram: “I would say that in Thavapuram migration, for most families, is a new phenomenon. Because Batticaloa is one of the districts that has experienced 30 years of conflict on top of the tsunami, so it’s double heat. But if you look at a community in the south, this has not been the experience. So these are also, I’m not generalising it, but most of the communities in the south are well established. In the sense that the community is stable, right? But if you look at the communities in the north and east, they are more unstable. Because of the war they lost everything, faced repeated displacement and there were no jobs, and then more operations and crises have repeated throughout their lives. In this case, migration was not a priority or possibility”.

However, the intensity of the war also bore important implications for recruitment networks, as the program officer continued to explain: “There were years in which people would not move out of the districts so they never had a chance of coming to Colombo and
migrating, right? And the agents were so scared to go and work in these districts, because their personal security was their main concern”.

In Thavapuram, pre-existing marginalisation has been compounded by decades of civil war and the 2004 tsunami, accounting for the community’s postponed participation in temporary labour migration. This delay, exacerbated by an uneven distribution of official migrant services in the Eastern Province (SLBFE 2012), has resulted in a nexus between unestablished local expectations of the migration process and the savvy of merchants of labour with three decades of accumulated experience from running businesses elsewhere in the country. As might be expected, prospective migrants’ deficient understanding of the standards and procedures of recruitment forms a basis for their exploitation by sub-agents and brokers.

The ILO project coordinator explained how a lack of information and poorly distributed government services had affected migration in Batticaloa and its surrounding communities: “Post-conflict migration has increased, but with little information. For example, Batticaloa itself doesn’t have a foreign employment bureau district resource centre. There are 25 resource centres in the country, but Batticaloa itself doesn’t have one. There’s one in Ampara, there’s one in Kalmunai, and there is one in Vavuniya, but not in Batticaloa. So this is probably a reason, because everybody is told, ‘go to the foreign employment bureau office, or the district centre in your district.’ Even to go to the district office, they would probably only go if there was a problem. They would first be approached by a sub-agent, and after that they would only go to the district office for their registration or signing of a contract. Before that, they probably wouldn’t go at all. So the chances of getting migration information is very limited, because they are already approached by sub-agents at the village level, while it takes about two hours to get to the district centre. The only incentive is to sign your contract at home, but by that time you’ve already paid whatever to the sub agent and this and that”.

A representative of the Ministry of Labour and Labour Relations reaffirmed these concerns, noting that, “Most migrants from rural areas don’t even know about the SLBFE – only the man or woman in their village who is a broker for an agent”.

The ability of sub-agents and labour brokers to mobilise and navigate gaps in government
coverage and established communal knowledge allows them, in essence, to calibrate expectations as to the cost and procedure of recruitment.

The SDC program officer spoke on this topic, based on his organisation’s own fieldwork in Batticaloa: “But this Batticaloa, being a new community... is also hugely lacking in information. Ideas have been given to rural communities that the migration for domestic workers is subject to the payment of money... we realise when we start working with these communities, these communities do not understand that there is a SLBFE in that district which is solely responsible for this issue, to whom they can go and check information they do not know. So everything is – starting from the first till the end – everything is channelled through the recruitment agents and they merely depend on all what is said by the recruitment agents. They are the first meeting point, because people do not know where to go and ask, people do not know the entire reality, they do not know about the documents, about also the language issues. These are also communities that have never been to the cities to understand how the whole process works. So all that is spilled out by the agent is taken for granted, is fully trusted, and people find themselves signing on white papers. When our partners started telling women during the awareness program that they don’t have to pay, just we could see from their ‘Ah, should we pay? Can we go free of charge?’ and then there is ‘Oh, I paid fifty thousand. I paid sixty thousand’. It’s the lack of information”.

Such instances of malpractice – not limited to inflating recruitment fees, but also including the deliberate issuing of misinformation regarding wages and conditions in order to entice potential migrants – are well-documented throughout Sri Lanka (ILO 2013a, 44). However, it is capital’s ability to traverse the terrain of uneven development and exploit disadvantaged populations constrained by place that is fundamental in explaining how and why these strategies are employed in some locations more than others. For Thavapuram, the consequences of these networked recruitment practices are striking. Reeling from the overlapping adversities of underdevelopment, war and natural disaster, migrants from Thavapuram were already ill-positioned to finance the costs of migration and reap beneficial outcomes after their return. But, further disadvantaged by incomplete information and exposure to institutionalised malpractice, the likelihood of positive experiences proved particularly slim – the real beneficiaries being the moneylenders, brokers and sub-agents orchestrating the supply of labour to recruitment agents. While migration still bore mixed (and generally negative) outcomes throughout other fieldwork
locations, recruitment methods were altogether more direct and transparent, so that migrants within those communities were not handicapped with the same degree of pre-migration indebtedness that a majority of those in Thavapuram were encumbered by.

The dire consequences of sub-agent activity in Sri Lanka are widely acknowledged by the ILO (2013a), state regulators (Martin 2012, 48) and, judging from day-to-day conversations held in Colombo, the general public. In light of popular awareness, the following and final section of this chapter considers how adverse migration outcomes have been reflected in policymaking and the media.

**Regulation and Representation**

**Policy Responses**

The actions of unauthorised sub-agents have been widely condemned, both by international organisations such as the ILO (2013a) and Human Rights Watch (2007), and by vested government and industry bodies such as the SLBFE and the Association of Licensed Foreign Employment Agents (ALFEA). The call for greater regulation has been unanimous; even ALFEA, which represents the interests of licensed recruitment agencies, has been outspoken in its concern for the impact of sub-agent malpractice on the wider industry.

Interviewed in an English-language weekend newspaper, *The Sunday Times*, ALFEA president Faizar Mackeen spoke out against sub-agents and the absence of an effective regulatory response:

“*This is not good for business, it is also dangerous since there is no accountability should something go wrong at either end because these people are not registered and would be hard to trace in an eventuality. Not only that, many of those involved in such rackets are rogue sub agents operating in various parts of the country and the authorities have done very little to rope them in... If this is allowed to continue foreign principals would look elsewhere for future recruitment and we may lose out in the market*” (Berenger 2012).
Despite expressing concerns that are chiefly a reflection of self-interest, specifically that foreign demand for Sri Lankan workers could decline on account of malpractice, there appears to be a consensus between business and civil society that the government needs to tightly regulate sub-agent activity. Yet there has been little by way of official policy response, despite pressure from the Colombo Process\textsuperscript{21} to tighten regulations (Agunias, Aghazarm, and Battistella 2011) and Sri Lanka’s official migration policy acknowledging the severity of the issue and the responsibility of the government in resolving it:

“Malpractices by private recruitment agencies and the gaps in the regulatory framework for local agents of recruiting agencies (known as sub-agents) lead to exploitative and abusive situations for migrant workers... The State has the final responsibility in all recruitment processes, derived from its commitment to protecting workers within a secure and equitable labour migration process” (MFEPW 2008, 10-11).

When interviewed, a general manager for the SLBFE explained that a new regulatory framework redressing gaps within the existing legislation was soon to be put before parliament, “[The existing legislation] was enacted in 1985. We did certain amendments from time to time, but still it had a lot of loopholes. It clearly mentioned the role of the recruitment agents and the bureau, but the sub-agent is in-between – he is not recognised and he is not legalised... Ultimately what we decided was to introduce a new system, we proposed a new act that is called Sri Lanka Migration Employment Authority Act that is now put to the parliament and the parliamentary commission is looking after that and I think most probably before the end of this year come it will come into practice. It will definitely identify the role of the sub agent. What are their limits? How they can do it? Everything is covered. Whatever the problems we had for the last 20 years is covered by that particular act. So once this act is enacted definitely this problem will be solved because we’ll be going get the support in a legalistic manner”.

The Act, the details of which were reported by \textit{The Sunday Times} in February 2014, intends to establish a Migration Employment Authority to replace the SLBFE while creating new guidelines for sub-agents that will provide a legal basis for prosecuting

\textsuperscript{21} The Colombo Process, established in 2003, is a forum mediated by the IOM in order for Asian labour-sending countries to consult with one another regarding regulation, welfare and developmental issues associated with temporary labour migration.
misconduct. However, legislating against sub-agent malpractice and actually enforcing those standards are two separate challenges. While moves to create a legal rationale for regulation is welcomed, it remains unclear as to how the SLBFE will ensure that unauthorised sub-agents – reportedly numbering more than 10,000 (The Sunday Times 2014) – will be registered and made compliant with new rules when they are presently able to operate inconspicuously. Recruitment agencies can be held accountable, as their business is conducted from fixed offices, whereas sub-agents ply their trade without such constraints. Furthermore, the implementation of the Sri Lanka Migration Employment Authority Act itself appears to have been delayed indefinitely, with no mention of the policy going into effect more than two years after it was widely anticipated to be passed into law.

**Media Coverage**

In contrast, the Sri Lankan government has been quick to offer policy responses to other issues concerning migrant welfare that receive considerably greater media attention, namely the abuse of domestic workers and the social consequences of absent mothers. The widely publicised 2013 execution of Rizana Nafeek sparked a revitalisation of media coverage around the physical abuse of Sri Lankan women working abroad and concomitant concerns over the domestic fallout of women’s migration.

*Ceylon Today*, a popular English-language daily, published an editorial entitled 'Enough is Enough', in which the author captures the national political investment in private female bodies when decrying:

> “Why do we continue to expose our girls to such ignominious situations? Do we not have any other avenues for foreign exchange other than selling our women? Sri Lanka, the country we are proud to be born into, is now known as the country of housemaids” (Yahampath 2013).

The Sri Lankan government responded shortly after Nafeek’s beheading by increasing the minimum age of prospective migrant domestic workers to 25 (Mudugamuwa 2013), then – in response to further public concern over the “heavy social cost on the children they leave behind” (Weeraratne 2014) – proceeded to place bans on prospective migrant women with
children under the age of five (Adaderana 2014). The centrality of gendered subordination within these debates is clear. An editorial from another English-language tabloid, *The Daily Mirror*, flatly asked: “*What is more important – a mother’s right to choose her job or a child’s need to be raised by her mother?*” (Weeraratne 2014). The government, too, suggests that family problems arising from migration are the onus of women migrants. The chairman of the SLBFE was quoted as saying, “*We have witnessed several broken homes since mothers have been working abroad*” (Daily Mirror 2013), while the Sri Lankan ambassador to Kuwait stated, “*We are paying the price – the social impact is huge, families are breaking up*” (Daily Mirror 2014). Further illustrating this gendered imbalance, the Sri Lankan Embassy in Oman issued a statement reporting that prospective female migrants will only be approved to work in the country “*if they get a no-objection certificate from their husbands or their relatives*” (Times of Oman 2013).

These sentiments, consistently mobilised by government representatives and the Sri Lankan tabloid press, reflect a tradition of patriarchal ethno-nationalist rhetoric, first articulated by middle-class Sinhalese Buddhist men seeking to define and subordinate women’s lives within the domestic sphere in the wake of receding colonialism (de Alwis 1996, 139). In practical terms, it is rhetoric used to bolster the ideological construction of a sexual division of labour that locates Sri Lankan masculinity in the performance of productive labour and femininity in the performance of care and domestic work (Gamburd 2000, 186). The very construction of this division, however, is made increasingly fragile by the stark social and economic reality of women’s productive labour as temporary labour migrants. These combined tensions have amounted to a weak policy approach to migrant welfare. On one hand the government seeks to ingratiate patriarchal notions of protection though conditional restrictions to domestic worker employment, while on the other it fails to generate meaningful policy responses to the abuse and exploitation perpetuated by recruitment practices for fear of disrupting the economic contribution of migration.

The government appears to have been superficially restricting female migration in the name of protecting workers and their families, while surreptitiously taking steps to encourage continued and more profitable migration by female domestic workers. By planning to ‘rebrand’ Sri Lankan housemaids as ‘domestic housekeeping assistance’ without meaningfully increasing pre-departure training or skills assessment, policymakers have demonstrated a commitment to 'exporting' Sri Lankan labour for the West Asian
'market'. The government's stated intention to substantially increase annual remittances through traditional channels (IPS 2014) – that is, predominantly by way of domestic worker migration to West Asia – provides little incentive to regulate the network of sub-agents and brokers upon which much of that pathway is built.

A general consequence of this policy and media antagonism is that the government has become chiefly concerned with regulating the popular representation of migrant issues, that is, the social edifice of a patriarchal backlash to women's employment. Migrant welfare has become increasingly framed as an issue of individual accountability, typically falling at the feet of female domestic workers for having supposedly shirked maternal duties. Meanwhile, restrictions imposed on the merchants of labour, which carry less ideological saliency and greater economic risk, have been conspicuously toothless. That the higher costs and greater indebtedness resulting from sub-agent recruiting falls mainly on the socially and economically marginalised is likely an added determinant of the government's muted response, mirroring a lack of genuine resolve in providing a sufficient distribution of migrant support and training services in the Eastern and Northern provinces (SLBFE 2012).

**Conclusion**

This chapter has extended the analysis of forced migration introduced in Chapter Four by drawing attention to the significant institutional differences bound up in the geographic, demographic and cultural fixity of place. It has demonstrated how prominent recruitment strategies intersect with locationally-specific migration practices in a manner that influences both the cost of migrating and the prevalence of migration-related indebtedness. The practices of the 'merchants of labour' cut asymmetrically across an existing landscape of uneven development, making use of the relative mobility of capital over labour to produce conditions of 'uneven migration' throughout Sri Lanka's rural economy. The institutional characteristics and material limitations of particular migration cultures were seen to either mitigate or exacerbate the extent to which marginalised communities were disadvantaged by uneven migration. Whereas one marginalised community, the Polgahawela Muslims, were able to use ethnic insularity and religious affinities with West Asia to improve the circumstances of their migration, the severity of underdevelopment for the war-affected Tamil-Hindu community in Thavapuram left the
group acutely vulnerable to exploitation by recruiters and moneylenders. Ineffective regulatory intervention from the Sri Lankan government, which appears more invested in managing public concerns steeped in patriarchal ethno-nationalism, has done little to address this imbalance of recruitment practices. Subjection to forced migration therefore remains tempered by the particular limitations of place and the corresponding mobility of capital, and thus largely reinforces existing patterns of accumulation by subordination that structure Sri Lanka’s developmental disparities.
Chapter Six

Manufacturing Success: Status and the Re-socialisation of Migrant Labour

Overview

This final chapter of fieldwork findings utilises the concept of status to situate migrant agency within a framework of temporary labour migration hitherto delineated through the structural and institutional contours of uneven development. Forced migration, tempered by the particular limitations of place, has given rise to a web of pressures and constraints that expose the conceptual frailty of migrant agency as it is typically conceived, that is, through the lens of free and rational utility-maximisation. For the developmentally marginalised, migration is scarcely voluntary, nor does it often confer sustained (or even immediate) economic benefits. Rather, migration is best understood as a survival strategy intimately tied to Sri Lanka's long history of accumulation by subordination and, more acutely, through the neoliberal refashioning of the economy in 1977. Recast in relation to the gendered socialisation of labour, agency remains a pivotal feature of this strategy. Drawing on Polanyi (2001), this chapter examines how the fictitious commodification of Sri Lanka's working classes – within degraded forms of local employment and as 'labour exports' to the Gulf – devalues labour by denying workers' self-esteem in distinctly gendered ways. Synthesising this analysis with Veblen's reflections on consumption (2009), it then explores how migrant agency is often expressed through a complex revaluation of migrants' labour, wherein foreign employment offers returnees gender-differentiated opportunities to reconstruct status by curating personal narratives of migration and engaging in the conspicuous consumption of remittances. This entails a fundamental paradox, wherein temporary labour migration is frequently abusive and largely unbeneﬁcial in practice, yet by enabling returnees to project material and cultural hallmarks of 'success' is signiﬁed as a positive experience. This false pretence of success is seen to colour the ambitions and expectations of prospective migrants, thereby inducing a cumulatively causative effect that complements and reinforces the structural and institutional path dependency of temporary labour migration in Sri Lanka.
The first section of this chapter details the exploitation of Sri Lanka’s working poor, examining gendered working realities within degraded conditions of local employment and the apparent paradox of locating agency in the typically more exploitative working conditions encountered in foreign employment. The chapter then considers how migrants exercise agency, within the confines of gender norms, as a means of re-socialising their labour by taking ownership of their personal narratives and remitted income to construct or consume status. The final section analyses the influence of constructed projections of success that belie the realities of migration as a 'weighted gamble', drawing attention to how the exercise of agency as a superficial re-socialisation of labour creates false expectations for prospective migrants. In this manner, the pursuit of status cultivates a social consensus that frequently equates migration with ‘success’ and harmonises with the structural and institutional pressures of temporary labour migration.

**Gendered Working Realities at Home and Abroad**

**Gendered Realities of Local Employment**

Chapter Two examines how Sri Lanka’s 1977 neoliberal turn was characterised by new strategies of accumulation by subordination that reorganised labour within three dominant spheres of mass employment: export production, the armed forces and temporary labour migration. These areas of employment are, in turn, characterised by a distinct sexual division of labour underpinned by the social construction of men’s and women’s work. Key export industries, particularly garment manufacturing and the plantation sector, are overwhelmingly feminised; the military continues to account for a significant percentage of men’s formal employment; while foreign employment itself has shifted from being heavily feminised to increasingly masculine work (CBSL 2016).

Examining male and female participants’ local occupational categories prior to their migration affirms this sexual division of productive and reproductive labour (Table 6.1). Before leaving for foreign employment 44 percent of the women surveyed were performing reproductive labour, while 24 percent were engaged in informal self-employment and another 24 percent were low-skilled workers, predominantly within the garments industry. Of the men surveyed, 66 percent were employed in low-skilled occupations, while engaging in informal self-employment to the same extent as women at
24 percent. Men were also more often found to be employed in high-skilled occupations or running a business, while absent from the household work performed by women, reflecting Sri Lanka’s well-documented gendered asymmetries in skilled and reproductive labour (Gunatilaka 2013).

Table 6.1 – Occupation Before Migration

<table>
<thead>
<tr>
<th>Category</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Owner</td>
<td>1.7%</td>
<td>4.9%</td>
</tr>
<tr>
<td>High-Skilled</td>
<td>0.0%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Informal Self-Employment</td>
<td>23.7%</td>
<td>24.4%</td>
</tr>
<tr>
<td>Low-Skilled</td>
<td>23.7%</td>
<td>65.9%</td>
</tr>
<tr>
<td>Reproductive Labour</td>
<td>44.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>6.8%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Interviewees identified a lack of decent local employment as the principal motivation for pursuing foreign employment, reflective of the degraded working conditions underscoring forced migration as detailed in Chapter Four. What the interview questions could not capture, however, is the extent to which limited avenues of employment in post-1977 Sri Lanka have intersected with deeply ingrained gendered norms to produce experiences of stigma and exclusion that de-socialises labour by depriving the working poor of status. The scope and methodology of the research conducted was not conducive to directly probing these (often sensitive) experiences of stigma found at the intersection of gender and work, but subsequent interviews with key stakeholders corroborated the findings of a number of comprehensive anthropological studies that have explored these tensions in recent years (Gamburd 2000; Kottegoda 2004; Lynch 2007). Despite their differing foci, these studies all describe the emergence of profound status tension amongst Sri Lanka’s poor following the reorganisation of gendered working roles under neoliberalism. In short, the feminisation of breadwinner employment has occurred alongside deepening male underemployment, particularly in the rural economy, prompting a crisis of masculinity that has shaped the social and cultural framing of men’s and women’s claims to personal integrity. Kottegoda (2004) describes how men have, in the wake of receding employment, turned to ostentatious displays of masculinity by other means, such as gambling, excessive drinking and the conspicuous abstention from reproductive labour. Lynch (2007), on the other hand, details how the internal migration of young rural women
seeking work in Sri Lanka's EPZs has been accompanied by moral panic over their supposed loss of chastity in the urban milieu, prompting stigmatisation (and devaluation) as Juki pieces\textsuperscript{22}. Evolving gender norms, strained by a shifting sexual division of labour within a rigid patriarchal framework, have thus produced differentiated challenges to the status of male and female workers. Broadly speaking, men are pressured to construct masculinity outside of traditional work roles, while women are expected to navigate stigma and uphold patriarchal virtues while participating in paid work.

These gendered tensions were discussed in the context of feminised labour migration by the SDC program officer, who explained: “it’s a society in which women are primarily responsible for being at home cooking, looking after children, not going for a job, that is mostly the trend in this country for women. Except in the rural areas of course now women are taking higher responsibility. So in those rural areas, in which women do all these household things, the responsibility of earning money lies with the man. When the man does not perform and bring adequate money, it becomes an additional burden of these women, because she has to find the money to feed the children. That is why more and more women are looking for jobs. When a woman looks for job the man does not take the responsibility of looking after the children”.

**Gendered Realities of Foreign Employment**

**Occupation**

Even more distinctly than local employment, temporary labour migration is characterised by an unequivocal demarcation of men’s and women’s work (Table 6.2). Examining participants' occupational categories during their time working abroad reveals that 93 percent of women were employed as domestic workers, with only a slim number employed as low-skilled (i.e non-domestic) or highly-skilled workers. Conversely, 90 percent of men were employed as low-skilled workers – a category encompassing a range of menial jobs that the SLBFE determines\textsuperscript{23} as 'unskilled' (such as labouring, construction and driving) or 'skilled' (such as carpentry, welding and electrical work) – while the

\textsuperscript{22} ‘Juki’ is a brand of sewing machine used extensively throughout the garments industry.

\textsuperscript{23} There is no systematic definition of 'skilled' or 'unskilled' work used by the SLBFE, distinctions are instead made arbitrarily according to particular forms of occupation. All of these occupations fit within what is here loosely termed 'low-skill' work.
remainder were employed in highly-skill positions. These figures are consistent with national-level data on the skill composition of foreign employment, which suggests that 45 percent of Sri Lankan men migrate as 'skilled' labour and 39 percent as 'unskilled' labour, while 85 percent of women are employed as 'housemaids' (SLBFE 2012).

Table 6.2 – Occupation During Migration

<table>
<thead>
<tr>
<th>Category</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Worker</td>
<td>93.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>High-Skilled</td>
<td>1.7%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Low-Skilled</td>
<td>5.1%</td>
<td>90.2%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Intimately related to occupational categories, gendered differences were also apparent in migrant workers’ monthly income and the rate at which remittances were sent home (Table 6.3). As in Sri Lanka, where a stubborn gendered pay gap exists, women’s work is devalued in foreign employment and domestic workers command significantly less monthly income than low-skilled male workers. However, while live-in positions for domestic workers are ubiquitous and inclusive of basic needs, male workers’ higher wages were often offset by expenses in the form of (often hidden) food and accommodation costs, alongside a greater freedom to spend money while socialising. Owing to these differences, women were seen to remit at a higher rate than men, most sending home the entirety of their incomes, save for minor personal expenses or the purchasing of foreign goods to bring back to Sri Lanka.

Table 6.3 – Income and Remittance

<table>
<thead>
<tr>
<th></th>
<th>Average Monthly Income</th>
<th>Percent Remitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>Rs. 14,873</td>
<td>85.78%</td>
</tr>
<tr>
<td>Men</td>
<td>Rs. 26,402</td>
<td>70.74%</td>
</tr>
</tbody>
</table>

When asked about the differences between men and women’s migration within her community, a field contact from Thavapuram explained how a combination of recruitment costs and occupational features produce divergent outcomes: “Most of the time ladies do not take money from moneylenders, unless for the men’s employment they pawn their jewellery and land deeds at a rate of 5 percent or 10 percent. Though men have spent lots of
money on recruitment, they can’t achieve anything because they have to repay their loan, therefore there is no benefit from men’s migration. But when women migrate they don’t have to pay any extra, rather they are getting an allowance from the agencies, therefore the ladies get more benefit from migration. For the men it takes two years to get stable in the Middle East, after that only they could afford to buy at least a ring for themselves. But for women it’s opposite to this, it depends on their house. They could develop after six months, but men couldn’t achieve this because they have to pay the loan”.

Working Conditions

Working conditions, for both men and women, are seen to be qualitatively worse in West Asia than within Sri Lanka. This is largely due to the presence of the kafala system of employment (and a general absence of formal labour laws for foreign workers) throughout the major labour-receiving countries of West Asia: all the GCC states, along with Jordan and Lebanon (Khan and Harroff-Tavel 2011). The kafala system is a sponsorship program that ties the visa and legal status of low-skilled migrants and domestic workers to their employment contracts with kafeels (employers); they are, as such, unable to leave employment or change employers without compromising the legality of their presence in the host country (Khan and Harroff-Tavel 2011). As numerous stakeholders have observed, this visa conditionality affords employers carte blanche over the terms of employment, contravening basic human and working rights and resulting in rampant malpractice: “As immigration status depends on a contractual relationship, migrant workers can be made to accept terms and conditions of employment at variance with those they were promised before departure from their home countries” (Khan and Harroff-Tavel 2011, 297). While the survey did not specifically probe incidents of abuse or mistreatment given the potentially traumatic nature of these experiences, participants were offered an opportunity to discuss any hardships they encountered while working abroad at their own discretion. These experiences, too, took on starkly gendered differences, deriving from the contrasting forms of vulnerability experienced by migrant domestic workers employed within private households vis-à-vis low-skilled migrants labouring under more formal employment arrangements.

Table 6.4 details the hardships discussed by men and women alike. Only 23 percent of respondents reported that they had not experienced any hardships during foreign
employment, including 27 percent of women and 17 percent of men. Some of the most common complaints were experienced by male and female migrants alike, such as being overworked and struggling with foreign foods, languages and climates. Other hardships were more closely aligned with women's working realities. Physical abuse, for example, was almost exclusively experienced by migrant domestic workers, whose confinement to the private sphere of the home renders their working conditions and personal treatment entirely at the discretion of the employer. The vulnerability inherent in this working arrangement is underscored by a recurring observation that instances of physical abuse share little correlation with job experience, but rather arise from the probability and chance of being assigned to a 'good' or 'bad' employer. Particular countries of destination, religious ties and methods of recruitment – that is, random agency placements opposed to direct recruitment via private networks – are pertinent factors contributing to the characterisation of domestic work as a 'weighted gamble' where working conditions and personal safety are highly dependent upon the employer and their family.

Table 6.4 – Hardships Endured During Migration

<table>
<thead>
<tr>
<th>Category</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrested</td>
<td>1.7%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Deception</td>
<td>1.7%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Food, Language or Climate Issues</td>
<td>11.9%</td>
<td>19.5%</td>
</tr>
<tr>
<td>Injury or Medical Issues</td>
<td>11.9%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Overworked</td>
<td>17.0%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Pay Withheld</td>
<td>5.1%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Physically Abused</td>
<td>13.6%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Underpaid</td>
<td>0.0%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Other</td>
<td>10.2%</td>
<td>4.9%</td>
</tr>
<tr>
<td>None</td>
<td>27.1%</td>
<td>17.1%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Speaking to the arbitrariness of domestic worker abuse, a woman from Thavapuram – an experienced migrant on her third trip abroad – recalled, “During my third visit to Saudi, in Dammam, I was mistreated. After working for a month, when I asked for my salary they

---

24 In the case of Saudi Arabia – the largest recipient of Sri Lankan labour – domestic workers cannot leave the house independently of a male attendant, typically their employer.
didn’t give it. I told that I have to send it to my kids, then they gave the money. We have to give it to them for the money to be deposited, but they kept delaying. When I asked about it they twisted my arm and my mistress told her husband and he kicked me and beat me”.

Another migrant, a woman from Galle who mortgaged her land to finance her employment as a domestic worker in Lebanon, spoke of similar abuse: “My time there was very painful. I once got beaten by the master for misplacing one of the children’s glasses. I had to wash five bathrooms. While I had my meals, if someone came to that house, I had to go down three stories to open the door. It was so sad. I used to cry all the time. Whenever they went out, they locked me inside”.

An older migrant from Negombo, who had made repeated visits to Kuwait beginning in the early 1980s, spoke of helping other domestic workers who were facing abuse: “I saw how maids were treated in other houses. I saw how maids jumped over the walls. I have helped them as well. I tell my madam, about these maids. I have given food to women who didn’t get food to eat... My madam worked in the Indonesian Embassy. I informed my madam, she would inform our embassy... There are so many problems. Humiliations, by masters and even children. The children can be very abusive at times, they hit maids, they burn them sometimes”.

Meanwhile, those who found work with decent employers avoided instances of abuse and were more likely to express overall satisfaction. Recruitment via private networks is an important factor in this regard, as migrants discussed the benefit of arranging work with an employer who can be vouched for by friends or family members. A woman from Negombo explained, “The madam and the boss have to be good. Some people say they have had bad experiences, but my Aunt said they [the employers] are good so I was sure”.

Elsewhere, the experiences of a Muslim woman from Polgahawela suggest how, in her case, common religious ties may have shaped positive experiences with her employer: “These three necklaces brother Zareen bought. He was a very good employer and used to give me gifts during charity period, Sadaqah... The employer was good. After I came back to Sri Lanka and went for check-up I failed my medical, so I informed my employer and they sent money for my operation. After one year they requested me to come back again. But my husband refused”.

146
However, while overall grievances were slightly lower amongst women interviewed in Polgahawela – where all identified as Muslim and most arranged employment through private contacts – incidents of physical abuse were nonetheless present, suggesting that religious bonds and direct placements only go so far in mitigating the sheer misfortune of working for an abusive employer.

Male workers, on the other hand, were also more likely to experience distinct forms of hardship during their employment, particularly deception regarding wages and – relatedly – being arrested for contravening visa conditionality. Agents or employers were seen to deceive male migrants by offering greater wages during recruitment than were actually paid under employment, with income shortfalls arising either from sheer underpayment (often achieved by way of duplicate contracts) or by exacting hidden expenses by charging compulsory pay deductions for food and accommodation. These circumstances are often compounded by exposure to harsh working and living conditions. In instances where pay and working conditions are unbearable, men – relatively uninhibited compared to domestic workers – sometimes break the terms of their visa by pursuing unauthorised and informal work with another employer. ‘Outworking’, as participants referred to it, allows men to walk away from mistreatment, overwork or underpay, but carries with it the additional challenges of private living expenses and a short but inevitable jail sentence when leaving the country.

The experiences of a young man from Polgahawela, who migrated to Qatar to work as a driver, illustrate typical practices of deception and hidden costs: “Nothing promised happened there. They promised to give me free food, free accommodation and a basic salary of Rs 1000 per day. I was told that I could also do overtime. When I calculated all of these, my salary increased to approximately Rs 65000 per month. I was much convinced to go there. What happened there was the reverse. They deducted money from my salary and said they did not promise any offers as such. Someone convinced my mind to do the job for some time, saying that they would look into some possible changes with the passage of time. Believing their word, I signed the contract... I could have illegally worked and earned quite a lot. Due to my children, I did not want to land up in any trouble. So, I did not choose that way”.

Another young man, from Thavapuram, faced similar problems and resorted to outworking in order to save sufficient income to send home: “I was sent to Saudi Arabia for
a hospital cleaning job in 2007. At that time my agency agreed to pay 400 riyal to me in our money, Rs 10,000. After I went there I got only 300 riyal for my monthly salary, and I couldn’t save any money. I spent 200 riyal for my food there, so how could I save money? I worked there only two months, then I left my company and I worked illegally in a textile shop as salesman... I was arrested by the police and they handed me over to the Sri Lankan embassy, who made arrangements to send us home”.

Similar to the experiences of domestic workers, the likelihood of male workers encountering employer malpractice appeared to be determined primarily by chance, as conveyed through the reflections of a successful Negombo migrant: “I went as a driver, but I got a job as a company driver and that was a good opportunity. I was scared as to what would happen. I wondered if I would face many problems like others and whether I will not get my salary. But the place I got was very good”.

However, as deception often stems from recruitment agents within Sri Lanka (ILO 2013a), it was not surprising that the community in Thavapuram – where sub-agent malpractice is rife – experienced the greatest concentration of serious grievances amongst male workers.

The Paradox of Migrant Agency

The degree of hardship and uncertainty observed in returnees’ experiences of foreign employment, coupled with the limited and generally subsistent benefits of remittance income discussed in Chapter Four, poses an apparent paradox for theories of migrant agency. If temporary labour migration constitutes an expensive (albeit weighted) gamble, involving a high likelihood of some form of personal suffering and little evidence of substantive or sustainable returns, why do individual men and women pursue such work? Such a decision hardly reflects what neoclassical economists would identify as rational, utility-maximising behaviour. As one woman from Negombo, who experienced great hardship during her time abroad, tellingly stated, “What I say is that there’s no use of going abroad, you can earn more here than going abroad. That is what I tell others also, who intend to go abroad. If they are younger, they can go to a garment factory, and here we can do dry fish business, from which we can earn enough”.

Structural-determinist and agency-centric perspectives each offer an intuitive explanation
for this paradox. The first is that the macroeconomic structures of forced migration discussed in Chapter Four are so overwhelming that migrants are unable to make empowered decisions and are passively led into temporary labour migration by virtue of their socio-economic marginalisation. The second contends that migrants' exercise of agency is constrained by an imperfect supply of information regarding the costs and benefits of temporary labour migration, distorting otherwise rational decision-making. Neither explanation is sufficient. According absolute sway to the economic structures of migration denies individual migrants' capacity to act meaningfully and entertains a determinism that discredits the important contributions of historical-structuralist analysis. Blaming information asymmetries is similarly unhelpful, as it effectively condemns social reality for trammelling the ideal abstraction of \textit{homo economicus}, without scrutinising why or how knowledge becomes imperfect or whether human decision-making extends beyond a narrow economic rationality.

An observation by the SDC program officer touched incisively on an alternate explanation that had emerged from the interviews conducted with migrant returnees: “people don’t have much information and understanding about all of what is happening here because information at the workplace is from mouth to mouth, it is from the neighbours, and even if I have gone through a bitter experience we have a culture in which I do not necessarily comeback and share my bitter experience with the family”.

This understanding suggests that enculturated notions of personal integrity are pivotal in determining what information, codified through personal experience and material signifiers, migrants choose to relay to others upon their return. It speaks to a fundamentally different conceptualisation of migrant agency, hinging not upon economic freedom (which is conspicuously absent from migrant realities) but the opportunity to re-author personal experiences and curate representations of self and identity that are consistent with cultural expectations.

This resonates with the deprivation of status experienced by the working poor within Sri Lanka, for whom labour migration plausibly offers a spatial vacuum in which personal experiences of exploitation and degradation can be endured outside the purview of peer scrutiny and later be reconstructed as narratives of success that align with prevailing gender norms. It suggests that migrants make decisions without possessing realistic
insights into the economic realities of labour migration, but also that sheer economic
calculation may play second fiddle to cultural impetuses for pursuing migration in the first
place. As the following section details, the conspicuous expenditure of remittances on
status goods is seen to complement the construction of gendered notions of success. For
men, this often entailed the performance of masculinity through the medium of material
wealth, while women were more likely to embody patriarchal visions of chastity and care.
Through this lens, structure and agency are released from zero-sum antagonism and the
paradox dissolves. Processes of uneven development do structure forced migration
through the degradation of local employment, but an inability to make decisions that yield
positive economic outcomes does not negate the exercise of migrant agency, as agency can
be more broadly interpreted as the motivation to reclaim personal status lost within those
same processes of uneven development. Labour has been de-socialised within neoliberal
Sri Lanka, caught between the precarious realities of local underemployment and
temporary labour migration; the crucial difference is that stigma abounds in the former,
while the latter potentially offers sufficient privacy and remittances to construct status in
lieu of substantially altering socio-economic circumstances. It should be noted, however,
that those migrating under acute duress (as in Thavapuram) are more likely to be
motivated by sheer survival than personal considerations of status.

Migrant Agency: Constructing Success amidst Exploitation

A prominent theme that emerged from interviews with returned migrants, sometimes
explicitly but more often implicitly, was the degree of prestige associated with temporary
labour migration. Many discussed experiencing a greater social standing within their
community after returning home; almost all spent some portion of their remittances on
status-enhancing goods – jewellery, fine clothing, and a variety of home furnishings and
consumer durables. This section examines the social and material construction of success
observed amongst migrant returnees, before situating these experiences within
overarching gendered norms and the general sense of esteem attached to temporary
labour migration. Recognising that discussions of personal success and status can be quite
sensitive, interviews with migrant returnees did not press on these topics, instead asking
broad questions about lifestyle changes that allowed participants to disclose opinions they
felt comfortable airing. In light of the approach taken, this section of analysis supplements
migrant insights by drawing extensively on researcher observations and secondary
interviews with key stakeholders working with migrants and their communities.

**Narrating and Consuming Success**

*From Stigma to Status*

Consistent with an understanding of migrant agency rooted in *status*, the avoidance of stigma in existing lines of work was occasionally discussed by participants as a key motivation for pursuing temporary labour migration.

A middle-aged former fisherman from Negombo explained how the occupation he was born into compelled him to travel abroad for work as a young man, “*I wanted to get rid of the fishing lifestyle. I will not let my children be in this fishing society. I have been rejected so many times because of being a son of a fisherman. That is why I wanted to leave this society, anyhow, and have a better life*”.

Elsewhere a woman in Pilani, who had first internally migrated to Katunayake for a job in a garments factory, but then decided to migrate abroad with a group of co-workers intimated a similar motivation for leaving, stating that she didn’t leave for financial reasons, but because *“we felt like doing it”*. Poor social positioning was not only a direct motivation for foreign employment for some, but also presented itself as a barrier to respectable local employment for others, as such jobs are highly coveted and frequently tied to social class or political fealty.

A young man from Negombo explained his choice to migrate as emerging from his dissatisfaction with repeated attempts to find decent work in Sri Lanka: “*After leaving school, I wanted to do something good for my life. During that time, migration was the best option we saw at that age. I worked as a voluntary teacher, and I could not make the job permanent. After that I was fed up. I worked for two years. When they did not give us permanent jobs, I wanted to quit. After that there was an exam for security officers, I got the highest marks in Gampaha district from that, but I could not get the job at the harbour. Then I went for an interview at Lakspray. But I could not get both the jobs due to political reasons. At that time both these organisations were government organisations*”.
Another, a well-educated Muslim woman from Polgahawela, complained bitterly of how a lack of standing and political connections had prevented her from finding work as a teacher and convinced her to migrate: “I wanted to work as a teacher, but didn’t have the connections in my community. We could pay politicians for teaching jobs, but still wouldn’t get any work”.

With much of Sri Lanka’s working poor unable to command acceptance and respect within the narrow confines of local employment, temporary labour migration offers reprieve as a form of employment that is socially perceived to carry esteem.

As explained by the SDC program officer, the social deficit between stigma and status is often a more compelling consideration than the convenience or remuneration attached to work: “we hardly find willingness from our women to come and work in somewhere in Colombo or other cities, where as they might go for a similar job for a few thousand rupees more than they get here, or the same amount, or even a lesser amount, but they prefer to go anywhere else – to other countries – than finding a job in the country. This is also the attitude of the people. Probably they think they will be seen at work by other people and they will also come to know about it. It has been difficult to understand why they do not want to accept jobs in Colombo, but rather prefer going abroad”.

This observation was echoed by the project coordinator at the Colombo ILO office: “I mean even if it’s a carpenter or a labourer, there is still a minimum six or seven hundred rupees a day. Even for an immigrant. If we need someone to come to our home, say to do some of the heavy-duty things, like polish the floors or whatever, we still give them food, plus 750 rupees minimum daily. That is not so much, but I mean some would prefer to get even slightly higher, but work overseas, rather than work here because it looks fancier, or sounds fancier... they choose overseas migration, and there’s also this perception of going abroad, having the independence and freedom. Some people, they have money here, but you would find they still want to go abroad because they view people who have gone overseas in a different light. As in, okay, you have had the resources, you have had the freedom, you have seen the world and you have come back kind of thing. So it’s kind of a trend or a fashion as well”.

Some migrant returnees, too, mentioned how they were viewed differently before and after migration, noting that their social standing had changed after returning from abroad.
A woman from Pilani reflected on her family's status since returning from her job as a domestic worker in Kuwait: “People look at us differently now. We don’t look like beggars anymore. Even when my child goes to school she used to wear the same clothes every day, but it’s not like that now. We feel more respected. We used to be ignored at social gatherings, now people pay us more attention”.

A woman from Polgahawela similarly ranked social acceptance amongst the changes to have come about from her migration, “We have a stable life, no money problems, people are good with us now, we don’t have much difficulties”, while a male neighbour commented that “No one paid us any attention before, but now many people show respect to us”.

Indeed, the attachment of prestige to migration, irrespective of whether the trip had been successful in the eyes of the migrant themselves, was captured when an elderly man from Pilani quipped with annoyance, “I didn’t want social recognition. I wanted to buy a boat of my own. Now I use a friend’s boat”.

These admissions speak chiefly to the idea of gaining respect by way of improved material circumstances, for example, by using remittances to ameliorate prior experiences of stigma arising from dressing poorly and living in debt. The importance of these forms of status consumption is analysed shortly. It is first necessary, however, to address a complex attitudinal facet to the social standing of migrant returnees that takes shape around the tension between traditional Sri Lankan values (whether Sinhala-Buddhist, Sinhala-Catholic, Tamil-Hindu or Muslim) and foreign values adopted during migration. Broadly speaking, returnees sought social acceptance by reaffirming traditional gender norms yet pursued social distinction by asserting foreign (and often conflicting) values. While the majority of experiences reflected some combination of these ‘passive’ and ‘active’ strategies of migrant agency, the strain between reasserting and contesting established values was a defining feature of how most returnees framed their personal migration narratives and constructed integrity upon their reintegration in Sri Lanka.

Attitudinal Change

When asked if her lifestyle had changed following migration, a middle-aged woman from Negombo bluntly proclaimed, “No, it’s the same. Some people go abroad and change, but
that is not good. We must stay the Sri Lankan way”.

She had experienced modest success during her migration, earning enough money to fill in a plot of marshy land on which they would later build their house from income earned through her husband’s fishing and her own cooking and selling of Sri Lankan ‘short eats’\(^\text{25}\). In essence, by supporting her husband’s traditional livelihood and performing traditional feminine duties herself – that is, by cooking from home alongside carrying out other care duties – her reintegration into the local community involved a reaffirmation of established norms. Migration, and her remitted income, enabled a passive reclamation of status through an enhanced capacity to survive while adhering to local ways of life.

Her attitude stands in polar opposition to the previously mentioned former fisherman, living just two streets away, who left Sri Lanka on account of social persecution. His first migration, to Qatar, had resulted in illegal outworking and remittances sufficient only for his family to eat. He was, however, able to carry some money home in person after eventually working multiple jobs. When asked about the changes he experienced in his lifestyle following his return he explained, “I changed a lot. Once I came back, I bought a bike, and that was the biggest thing to happen in my village. And I lost so many friends whom I used to have here before. Sometimes they came to hurt me, fight with me. That is when I changed a lot. It is not that I did not accept them, but I just did not want to live that life. I just lived alone, because I wanted to live a good life. I want to succeed in my life”.

The value placed in his changing attitudes was clear, as rather than reintegrating in his home community, he restlessly used savings to pursue further migration, travelling to a range of countries as a ship-hand. Remarketing on his life as a repeat migrant, he was particularly proud of the self-worth his experiences had afforded: “I got so many experiences by going abroad. I told you that I have studied only up to grade 8. But today, I feel like I have gained so many experiences by going to different countries and working, more than a person who has done even A Levels; even I have some knowledge of English which I can manage at certain times”.

A third migrant from Negombo, a young man who had taken an atypical path by working as a welder on a US army base in Iraq, also spoke of experiencing a shift in values: “I

\(^\text{25}\) A popular name for a variety of local snack foods.
couldn’t achieve what I wanted to, but I had a good exposure to a different social class. I didn’t get to do any other kind of work, so I didn’t get an exposure in that sense. But I learnt about a different lifestyle... That exposure to a different culture has changed my life. I also felt that our lifestyle is very primitive and not developed”. Unlike the former fisherman, whose struggle to reintegrate pushed him abroad again, the younger man remained in his local community, where he continues to work as a welder with aspirations to run his own business. While migration had not been as financially rewarding as he had hoped, his impressions of people he had met abroad compelled him to emulate those values and carry himself differently in Sri Lanka.

Thus, within the same Sinhala-Catholic community in Negombo, these three migrants adopted varying degrees of attitudinal change that alternately upheld traditional values, rejected them forthright or represented an attempted reconciliation of local life with foreign values. All three can be understood as attempts to use the agency afforded by migration to achieve a sense of personal integrity: by conforming to pre-existing standards of worth; by emulating foreign values to stand apart; or – as was most often the case – by accommodating some combination of the two.

While exposure to foreign countries carries social esteem, the adoption of foreign attitudes can conflict with traditional ways of life. The ILO project coordinator described the challenge of reintegrating as a success: “The thing is this: there are two things that happen. Sometimes you are noticed more and you’re recognised better if you’ve been overseas and you come back. And if your family members run circles around you, that’s one side of things. There’s also another side of things where you find yourself not being able to fit back in with your family. You've modernised to a certain extent, but your husband is still chewing betel and wearing a sarong, and you know, there are certain issues where you can’t reconcile and get back with the family. And also you find that you can’t adjust to the social community structures that you were once part of. And that’s a reason to also re-migrate”.

Typically, then, those who have reintegrated well tend to have altered their social standing by embracing some aspects of traditional values while flouting others. Gendered differences are important as, outlined earlier in the chapter, men and women experience qualitatively different challenges to status under Sri Lanka’s patriarchal framework as it confronts a crisis of masculinity.
For women returnees seeking to reclaim integrity by reaffirming traditional feminine values, migration is often expressed as an extension of care roles, with remittances a way of adequately fulfilling motherly duties, such as providing education for the children and being a dutiful wife.

When asked whether she experienced any personal benefits from migration, a young mother from Polgahawela responded, “Not really... I was able to complete certain tasks and I am happy. I raised my kids and the family has an improved status in the society”. It became immediately apparent that, in this case, her individual experience of migration had been reframed as care work for her family. This feeling was echoed by her neighbour, who answered, “No, it was all for my family’s life”.

In Thavapuram, women expressed like sentiments. A middle-aged woman said, “I feel proud to have looked after my kids and they are grownups now. I’ve never thought of my own benefits. I have the happiness that I earned and looked after my kids”. An elder woman living nearby cast her experience, with noted pride, in light of preserving her marriage alongside the absence of migration: “Our life is upgraded from my foreign employment. Some husbands have new marriages after sending off their first wife to foreign employment, but my husband is not like that”.

Discussing the theme of fidelity, an officer within the Department of Labour expressed concern that women were frequently subject to sexual abuse in foreign employment but would rarely, if ever, discuss these experiences for fear of jeopardising their marriage by being perceived to be unchaste: “In the Middle East they are using domestic workers for sex work within the household. For husbands, for sons, even for relatives. They believe it is better to keep adultery in the house, behind closed doors. When they come back, no one talks about it, they only mention the good things and never the bad experiences. There is also social stigma for women who have been sexually abused when they reintegrate into their home communities”.

Meanwhile, some male returnees were also seen to re-socialise their labour through traditional notions of masculinity, converging in particular on the widespread desire to start a business or engage in autonomous self-employment as discussed in Chapter Four. Central to aspirations of self-employment is the social respectability attached to
independence from debt and the ability to provide a stable income for the family: these are basic needs, but nevertheless hard for most men to satisfy amidst the conditions of local employment.

One man, a tuk driver from Negombo, expressed his happiness about being able to financially support his children and achieve independence from debt: “Yes, we have benefitted. I put money into the children’s accounts. We have a house to stay in so everything is OK. We used to live on rent, but now it’s OK”.

Another, from Thavapuram, had more modest achievements but discernible satisfaction in providing for his family: “Yes, I am very happy about it. Our survival depended on my income. My family got healthy food”.

Yet, alongside the influence of established gender roles, migrants almost ubiquitously sought to reintegrate beyond the scope of traditional values too. Having typically worked in conditions that afforded greater social and material freedoms than women, men often spoke about their exposure to – and desire to emulate – foreign attitudes and lifestyles. These interactions were typically discussed in terms of personal growth and cultural understanding, but tended to manifest materially through the purchase of foreign goods and clothing. Women too would often wear clothing gifted from their employers and, if able to travel freely in their spare time, purchase jewellery and goods from abroad.

As the senior director at IPS put it, “They are like a frog in a well before going, but once they go there they are open to broader horizons. They know more about the world, so they want to have better comforts and better facilities”.

The ILO project officer explained how these broader horizons intersect with conspicuous expenditures, “I mean, how can they face their community? They have sacrificed a lot of things and they have gone overseas, and they need to look like they’ve been overseas and come back. So yeah, the perfumes, the clothes, the handbags, I guess the big TV, the big fridge, you know, whatever. Some don’t even have an electricity connection and they have big electrical items. They don’t really think about that”.

It is here, in the reification of foreign values as material possessions, that remittances
begin to take on a different and distinctly social function as a means of constructing success through the consumption of status goods.

Jewellery, Clothing and Durables

The ostentatious display of status goods was perhaps the most consistent observation amongst the migrant returnees interviewed, with all but the most unsuccessful partaking in conspicuous consumption. Migrants’ houses were routinely larger than others in the community and sometimes featured patios adorned with Roman columns, or contained ornate lights and entertainment units that were only called into service when social visits trumped the cost of turning the electricity on. Participants themselves often wore prominent jewellery and unmistakeably foreign clothing, often in contrast to their non-migrant neighbours. Assessed quantifiably, 58 percent of all migrants spent at least some of their remittances on jewellery, while 63 percent spent at least some portion on consumer durables, second only to day-to-day consumption (at 86 percent) in terms of sheer prevalence as a category of remittance expenditure.

Responding to this observation, the ILO project officer explained the importance of these status goods as means of being perceived as a success: “They will also buy consumer and durable goods because it’s a status symbol. If you’ve gone overseas to the Middle East for employment, and if you don’t have a big fridge and a big TV and a big surround sound system, then no one will take any notice of you. So their goal is to perhaps build a house, educate their children, but they end up getting distracted and then spending on these consumer durables and stuff”.

The importance of being noticed in this manner was sometimes discussed quite frankly by migrants themselves.

One man from Negombo, who had travelled to Saudi Arabia as a gardener in 1986, recalled how he was unable to achieve much with the money he earned over three years of foreign employment, returning with only Rs 11,000 after donating some to the church, supporting his sister’s marriage and repaying loans. But he also came back with a gold chain, two gold rings and a bracelet, which afforded him a sense of status: “When I came back with all that jewellery I came back with a different feeling than when I went. It was kind of to show off as
a person who had come back from being abroad”.

His friend, a fellow tuk driver in Negombo, reported similar feelings: “You might change if you go to another country. But we have reached a certain standard, even our clothes are different. Everyone wants to stand out and show off a bit”.

Elsewhere, a woman in Pilani spoke about her jewellery as the fruit of the hardship she endured as a domestic worker in Lebanon: “I felt very happy. I felt that, I have earned all this by doing a lot of dirty work, washing toilets. I used to wear the jewellery to weddings, almsgivings, family gatherings. I felt very good, felt proud. I used to tell everyone how hard it was to work there, and that with great difficulty I earned all this”.

To a large extent, these purchases can be characterised as a material expression of foreign values, consumed in tandem with attitudinal change; with certain consumer goods and styles of clothing hard to find or afford in Sri Lanka, goods brought back from abroad can signify worldly exposure and material affluence that sets migrants apart from their contemporaries.

The senior researcher at the WMC, who has been working with migrant domestic workers for the past three decades, spoke about the enduring tendency to flaunt certain goods as an act of claiming social status: “Yes, you go, you migrate overseas to earn money, to do this and that, and part of that is also being able to buy jewellery. This has been consistent for 30 years. Sometimes they wear the gold, to return to Colombo, on the flight, and I’m thinking like "Oh no, don’t wear that gold on you for heaven’s sake". But it’s very important, and when you come back, now when you look at the women coming back home, still most of them are in dress. Some of them will be in jeans. In the late 90s they would come back in jeans, blue jeans, and then they had photographs of themselves, wonderful, in tight jeans and tight t-shirts and you know they’re standing around, and then you go to their houses and they are dressed normally, they’re Muslim girls and all. So yeah, clothing. Now with the garment industry, many women, who may not have worn jeans or slacks at the time you know, they do wear it as routine now. When they come back from the Middle East, it’s gold jewellery. And then, you know, different shoes, handbags, and definitely it is a social communication... For them, the kind of designs and the bangles, and the necklaces and the earrings and all, you don’t get it here. And also I think the gold they want is slightly yellowish, and it shines a lot, it’s very
simple and an investment in many ways because your status goes up, and you can bargain for a better husband or for your child or whatever”.

However, there are parallel (and complementary) explanations for why so many status goods are purchased abroad, rather than within Sri Lanka’s duty-free shops and jewellery markets.

One crucial observation is that gold jewellery is not a typical status good. As is reflected by the number of migrants who pawned jewellery in order to finance their recruitment fees, gold jewellery is treated – as elsewhere in South Asia – as an important form of currency that is both relatively immune to the vicissitudes of inflation and is highly portable relative to other assets. As Gamburd notes, “Jewellery and expensive electrical goods act as a form of savings; worn, used, and displayed in times of prosperity, the items can be sold if needed and do not depreciate as quickly as the Sri Lankan rupee... Not merely for show, these “luxury” items provide a form of savings safer and more logical than money in the hand or in the bank” (2000, 43). This is a particularly important recognition when gold jewellery is purchased abroad by women as it represents a highly personal form of wealth, if not inalienable from the individual then certainly more intimate than remittances sent home to be spent at the family’s discretion. Furthermore, jewellery plays a vital role in dowry payments in Sri Lanka; having a lot of gold to offer can allow a family to realise upwards social mobility through arranging a ‘good’ marriage.

A second observation, emerging from interviews with key stakeholders, is that making foreign purchases is itself a highly socialised activity, influenced by peer pressure and what might be termed ‘pecuniary emulation’.

The senior director at IPS commented on this tendency, “So, with their colleagues they have get-togethers. So when they see their colleagues wearing a good necklace or bracelet or whatever other jewellery their colleagues are wearing, they also come under pressure, they also feel like they should buy one... that is one reason, so they can be on par with their colleagues. See, once the migrants go to the Middle Eastern countries they are in a foreign land and they become insecure. The only way they gain security is by developing connections with their Sri Lankan colleagues, so when they get into those networks they find those with different lifestyles, jewellery, all that, so that influences them to buy it. Even though the same
jewellery items are in the duty-free shop or the local street markets in Pettah... And perhaps when they go to the apartment or boarding place they might be seeing one of their colleagues having a mini refrigerator or a laptop computer, so they are also tempted to buy them there. That type of mentality is prevailing and that is why they buy it there, just to be with others and to have a comfortable life”.

This impression was echoed by the WMC researcher, who illustrated the convenience and recreational aspect of purchasing goods abroad while talking about her own research findings amongst migrant domestic workers in Jordan: When I was in Jordan, and that was the first time I actually worked with any type of migrant workers overseas, the women were talking about buying the refrigerator, and buying this and that, and I asked them, “why do you want to buy, when you can buy it there?”. I think it’s just that they feel, because they go to these places you know, for example from the garment factory on their days off, particularly if they are looking to go back home, they’ll go and look and then buy... They will buy a refrigerator, a sound system, a mobile phone, etc. Nowadays, some of them are looking at laptops for their children, and televisions. I think now, because we don’t have VCRs – those are now gone with the wind – now everybody buys a ‘set’, which will have the CD player and the DVD and all of that. Now those are things that are standard things. So if they want to, they can buy it there... And there are connections of people who actually transport these good back; the shipping agents and all of that... So yeah, I think one of the reasons that some women gave was that “no, but it is easier for me to buy it here” when they were out there. I think that’s why. I think they feel that they have a choice... because they’re alone in the duty-free, they may not come home with their friends; over there they’ll go shopping with their friends. That’s probably the reason why”.

A high incidence of foreign purchases were borne out by the survey data, but not evenly across categories of expenditure. 50 percent of all migrants surveyed spent some income buying consumer durables from abroad, while only 29 percent spent income on foreign jewellery, suggesting that the tendency to purchase status goods during migration applied less readily to jewellery – perhaps because it is commonly and cheaply available within Sri Lanka. A number of women also reported receiving jewellery and clothing as gifts from their employers, possibly contributing to this discrepancy too.

In sum, it is possible to identify a variegated set of incentives that encourage migrants to
spend their income, remitted or in person, on a variety of status goods. Whether consumed in the conspicuous emulation of foreign tastes, pragmatically as a personal asset easily redeemed in times of need or marriage, or simply by following the suit of other migrants, these displays of material wealth were widespread amongst the returnees surveyed and represent a fundamental signifier of successful migration. It is, perhaps, the principal means through which returnees and their families can claim status in the wake of their migration; the attitudinal navigation of traditional and imported social norms may form the deeper narrative of migrants’ social standing within their home communities, but the conspicuous consumption of status goods provides a tangible means of constructing and projecting notions of self-worth, pride and integrity.

Re-socialising through Consumption: Between Veblen and Polanyi

The term 'conspicuous consumption' finds its origin in Veblen's Theory of the Leisure Class (2009), where the concept is framed as a form of pecuniary emulation wherein lower social classes attempt to reproduce the standards of 'reputable and honorific consumption' set by the leisure class in any given society. Recognising that migrants’ incomes facilitate such consumption is not, as has been suggested by neoclassical critiques (de Haas 2010, 236), a value judgement that characterises such expenditures as wasteful or unproductive. Rather, Veblen's contribution was to identify that, cutting across the contextual specificities of human society, there is a general tendency to locate virtue in idolatry and material excess, while ascribing subordinate social standing to those classes lumped with performing manual productive labour. Acts of conspicuous consumption, then, are efforts to overcome the general deficit of status experienced by the working classes, within the existing parameters of societal worth. Under conditions of decent employment, where there are more equitable returns to the working class, the poor are permitted enough disposable income to socialise their labour through the consumption of status goods. This was noted, too, by T.H. Marshall when he discussed the improving circumstances of Britain’s (white and male) working poor at the end of the 19th century, identifying access to 'material civilisation' – afforded by larger incomes and cheaper goods – as a key foothold in winning social rights for the proletariat (Marshall 1992). And, as bell hooks remarks, it is perhaps more pertinent still following the global consolidation of contemporary capitalism: “tragically, the poor and well-off are often united in a capitalist culture by their shared obsession with consumption... the only way out of class shame is
through conspicuous consumption” (hooks 2000, 46).

This observation takes on greater relevance in light of the social upheaval described in Karl Polanyi’s *The Great Transformation*, in which the invention and imposition of market society disembeds economic activity from its social, political and cultural context. These non-economic institutions are instead subsumed by the formal economic rationality of the market, which, in due process, de-socialises labour (along with land and money) as a *fictitious commodity* that is expected to respond to the law of the market. An emphasis on de-socialisation is important, as the defining feature of *fictitious commodification* is the erosion of decent work – resulting from the expectation that labour will be ‘sold’ as cheaply as ‘the market’ will bear – and with it the more equitable distribution of incomes and social rights. Played out in the context of Europe, Polanyi identifies a spontaneous social response to the de-socialisation caused by market society, taking shape as a protective countermovement to re-embed the economy (and with it labour, land and money) through social protection afforded by labour laws and the welfare state. Understood in Veblenian terms, the restitution of decent work granted the working classes sufficient income and standards of living to partake in pecuniary emulation and redress the deficit of status suffered under market society. Irrespective of the eventual trajectory of this ‘double movement’ between market society and social protectionism in Europe, there has been no such protective countermovement following Asia’s exposure to market society and there appears little sign of one taking shape (Breman 2009).

Sri Lanka’s 1977 neoliberal turn has been repeatedly cited as a watershed moment for exacerbating processes of uneven development precisely because the reforms ushered in a localised vision of market society. Sri Lanka’s working poor, already encumbered by a long history of accumulation by subordination rooted in colonialism, have not so much lost conditions of decent employment as had them stifled at birth. Fictitious commodification has ensured that local employment does not offer enough disposable income for the working class to socialise their labour, preserving a deficit of social standing that, aside from the repression of two Marxist insurrections or the civil war, there has been no widespread social response to. Participation in temporary labour migration fills this void by allowing all but the most disadvantaged migrants to re-socialise their labour through the conspicuous consumption of remittances. While remittances do not provide enough income for investment or sustainable economic benefit, they do often provide enough to
construct a material edifice of wealth that connotes social and economic standing: be it through housing, jewellery and clothes, durables or whatever else.

This observation resonates ominously with Veblen’s own description of the socio-economic realities belying conspicuous consumption by the lower classes, “In any community where conspicuous consumption is an element of the scheme of life, an increase in an individual’s ability to pay is likely to take the form of an expenditure for some accredited line of conspicuous consumption... Through this discrimination in favour of visible consumption it has come about that the domestic life of most classes is relatively shabby, as compared with the éclat of that overt portion of their life that is carried on before the eyes of observers” (Veblen 2009, 76).

Thus migrants’ conspicuous consumption of remittances is not normatively condemned as wasteful or even arbitrary, but rather seen as a deceptively shallow facade of prosperity erected in the spirit of human dignity that has been systematically deprived by Sri Lanka’s cumulative restructuring of uneven development.

Keeping Up with the Jayasuriyas?

An elderly woman living in Negombo, formerly a domestic worker who had spent 15 years in Kuwait but now terminally ill with cancer, described in detail the changes to her family’s lifestyle and social standing throughout the course of her time abroad: “The way we lived before, we could not even buy any clothes, not even once a year. After I went I sent money to buy new clothes. There was not much change in food because, either way, we eat. There was a slight change after I came back. The type of food changed after I came, because of what I brought. We had the feeling that we were much better now. We had an opportunity to wear new clothes and socialise, used to feel proud of all that. And we had the new equipment to use, so we felt good”. She then paused and added, “But, now I feel that we are back in the same place”.

Living and working with her daughter, who had previously worked in a garment factory but was now pursuing self-employment by pickling fish in their small home near the fish market, it was indeed hard to discern any lasting traces of prosperity from such a long time spent abroad. Her story typifies the thin veneer of success that conspicuous
consumption most often affords; an outwards construction of status that betrays the stubbornly difficult material realities that so often cause migrant families to pursue repeat or flow-on migration.

An underappreciated consequence of constructing a pretence of success, however, is that its social acknowledgement infers the transmission of unrealistic assumptions about migration. Just as women who remain silent about experiencing abuse for fear of social transgression communicate misleadingly positive impressions of domestic work, so too does the conspicuous projection of material prosperity convey inflated estimations of migrants’ wealth and standards of living. When, as was the case in all four of the fieldwork locations, an entire community is heavily engaged in temporary labour migration the apparent wealth and success of returned migrants can create a strong incentive for others to migrate too. This was evident in the interviews with returnees, as many linked their pre-migration ambitions to ‘living like others’ or, as one young mother from Negombo remarked more candidly, “Seeing other houses of those who have been abroad, I thought maybe I also will be able to have success in life like that”.

Another, a middle-aged man also from Negombo, mentioned similar aspirations: “When seeing their lives, their houses, I also wanted to have a life like that”.

The senior director at IPS explained how this desire to emulate takes shape, “So and so has been overseas and has gained experience, worked in different working environments, all those things do work in their minds before. And sometimes there can be peer pressure from other colleagues who have migrated, you know, in a village if the adjoining house the daughter has gone, even as a domestic, and comes back and boasts that she brings two TV sets and a washing machine the one next door feels that she should keep up with her peers... Even if the employment overseas is not superior to the employment available in the local market the imagination is that it is going to be superior, so on that basis they expect higher wages plus better quality employment, a combination of both”.

Having experienced similar scenarios while working with migrant communities, the SDC program officer conveyed a similar understanding: “The moment you come to Sri Lanka the little amount of money you bring you don’t necessarily spend for good purposes, whereas you just lavishly spend them at the duty-free shops buying liquor boxes, cologne or perfume
bottles and televisions and so on. Because that is the picture they want to show to society when they come, with big gold chains. But if you really go into the aspect of one to one discussion on their pain, their tears, their sweat is not known by the community. So when such a scenario exists other women who are potential migrants do not understand the difficulties, whereas by looking at the things that are being expressed they also make the decision to go”.

What emerges, then, is a self-reinforcing social consensus that signifies and interprets migration as a pathway to success, despite the extent of private hardships and unsustainable benefits experienced by a majority of migrants. In this sense, the use of migrant agency to construct status that is otherwise difficult to obtain under conditions of local employment also has the cumulatively causal effect of encouraging others to participate in the substantial risks of temporary labour migration.

**Conclusion**

This chapter, the last of the empirical section of this thesis, has offered a deeper understanding of migrants’ social and economic realities by emphasising the exercise of individual agency alongside and within the structural and institutional constraints of temporary labour migration. An examination of gendered working realities at home and abroad reveals how a sexual division of labour in both contexts has produced gender-specific forms of exploitation that undermine the availability of decent work, challenge traditional gender roles and entail particular hardships for men and women. Considering the distinctly gendered means by which Sri Lanka’s working poor has been de-socialised, it has then examined how migration presents individuals with opportunities to reclaim status within these same gendered parameters. By reinterpreting migrant agency through the concept of status, the importance of individual decision-making is neither disregarded nor overstated, but instead contextualised as a gendered negotiation of self-worth embedded within the widespread devaluation of labour throughout Sri Lanka and within avenues of foreign employment. It identifies both an ability to curate personal experiences in alignment with social expectations and, crucially, the possibility to conspicuously consume remittances to flaunt material signifiers of ‘success’. Conspicuous remittance use is not interpreted as wasteful or ‘unproductive’, but an earnest response to the systematic deprivation of material and moral worth within a market-society that devalues labour but
reverses consumerism. However, the very ostentation of such consumption amounts to a false pretence of ‘success’ that belies often meagre outcomes of temporary labour migration and misleads prospective migrants seeking to emulate a facade of prosperity. Independent of their social characteristics, these forms of conspicuous consumption also play an important role in influencing the macroeconomic implications of remittance capital, which is the topic of the final section of the thesis.
Part Three

Macroeconomic Implications
Chapter Seven

Remittance Capital: Financing Uneven Development

Overview

Part two of this thesis has drawn on fieldwork findings to identify ways in which temporary labour migration in Sri Lanka has become an institution with strong cumulatively causative characteristics at structural, institutional and agency levels. Self-reinforcing processes of uneven development create a structural precedent for foreign employment in the form of forced migration (Chapter Four), the ‘merchants of labour’ profit from the mobility of capital relative to the fixity of migrant communities bound by place (Chapter Five), and migrants themselves use spatial disconnect to exercise agency in the narration and performance of status (Chapter Six). These dynamics collectively contribute to Sri Lanka’s seemingly intractable path dependency on foreign employment, evidenced by steadily increasing ratios of foreign to local employment and by a similarly increasing ratio of remittance receipts to export earnings. In this final section, the thesis develops an analysis of the most entrenched cumulatively causative mechanism – remittance capital and the financing of uneven development. This chapter therefore ‘steps back’ from the empirical study and places Sri Lanka’s dependency on temporary labour migration into macroeconomic relief.

The chapter evaluates the orthodox framing of remittances as beneficial transfers of developmental capital by examining the macroeconomic implications of remittance capital in Sri Lanka. Remittance capital is distinct from other forms of developmental capital as it is simultaneously characterised by private income transfers and aggregate foreign exchange inflows, both of which have important macroeconomic consequences. The chapter first explores the broader outcomes of household remittance expenditures, contending that what little ‘investment’ does occur is typically constrained within the informal sector, while consumption tends to redirect demand towards urban and international capital rather than generate local spillover effects. It then examines foreign exchange inflows, upending the prevailing tendency to view large remittance transfers as axiomatically beneficial by identifying intrinsic constraints to inclusive development.
owing to correlative structural unemployment and currency distortions. Sri Lanka’s post-war development policy is scrutinised as evidence of these limitations. Lastly, it posits that the two sides of remittance capital – private income and public expenditure – together allow Sri Lanka to sustain an otherwise untenable path of uneven development characterised by continued accumulation by subordination.

Household Remittance Expenditure

The inwards flow of migrant workers’ remittances has the potential to affect macroeconomic development in two overarching ways: directly, through the aggregate consumption and investment of remittance income, and indirectly, by amassing foreign exchange earnings in the current account. The impact of combined foreign exchange receipts provided by formal remittances have generally received the most attention, as these reserves can be leveraged to finance government-coordinated development policies. Yet remittances are first and foremost transfers of private income that, when spent, carry important implications for sending economies. Although under-theorised, household remittance expenditure is a central aspect of migration-development for sending economies, as long-term growth prospects are likely to be influenced by the manner in which household remittances are saved and spent (Athukorala 1993). This chapter therefore begins by examining the macroeconomic implications of household remittance expenditure in Sri Lanka, connecting insights gained from fieldwork findings with broader patterns of consumption and investment throughout the economy. The capture of formal remittances as foreign exchange earnings is discussed in a subsequent section, when attention is turned to the relationship between remittances and national accounting.

In-depth surveying of returned migrants can provide insight into the catalysts, constraints and cultures that shape individual migration narratives. By delving into the experiences of returnees, including the ways in which remittances have been used by the recipient household, it is possible to gauge whether and where migrants and their families feel to have benefited from the outcomes of foreign employment. Beyond assessing the development of individual households, however, detailed case studies are also a practical means of inferring the macroeconomic implications of household remittance expenditure in aggregate. In the absence of detailed census data on remittance expenditure, along with the inability of large quantitative surveys to shed light on the nuanced factors that shape
household spending, triangulated case study data offers the most detailed and pragmatic means of extrapolating a general pattern of household remittance expenditure. To date, the most comprehensive macroeconomic studies of remittance use in Sri Lanka have adopted this approach (Athukorala 1993; A. De Silva, Lakshman, and Ranasinghe 1993; Gunatilleke 1995; Gunatilleke, Colombage, and Perera 2010).

**Prevailing Assumptions on Remittance Expenditure**

The ‘rediscovery’ of migration-development at the turn of the millennium was due in large part to the steady growth of global remittance transfers to developing economies, which in turn placed remittances themselves at the heart of an emerging developmental discourse encouraging temporary labour migration (de Haas 2012). A key aspect of this paradigm shift has been the belief that remittance expenditure automatically ‘targets’ poverty alleviation and the distribution of other economic benefits amongst those most in need, i.e. migrants themselves. The World Bank, in its landmark report on the economic implications of remittances, claims that “the bulk of the economic gains from migration accrue to migrants and their families, and these gains are often large” (2006, xii). The report goes on to specify that, beyond sheer poverty alleviation, remittances “lead to increased household expenditures in areas considered to be important for development, particularly education, entrepreneurship, and health” (World Bank 2006, 117). While the report begrudgingly concedes a lack of evidence supporting a positive relationship between remittances and economic growth, it maintains a candid assumption that household remittance expenditure will entail poverty-alleviating consumption and development-catalysing investment in human and physical capital. These patterns of expenditure are presumed to have expansionary consequences for the sending economy, whose growth, it is argued, may nevertheless be held in check by counteracting losses of productive labour departing for foreign employment (World Bank 2006, 104-105).

When considering remittance expenditure in isolation of labour supply issues, there is a clear expectation that migrants will consume and invest in a manner conducive to economic development: “To the extent that they finance education and health and increase investment, remittances could have a positive effect on economic growth. Remittances may relieve credit constraints in the recipient community and spur entrepreneurial activity... To the extent that they increase consumption, remittances may increase per
capita income levels and reduce poverty and income inequality, even if they do not directly impact growth” (World Bank 2006, 104). This resonates with other dominant voices in migration-development policy, which typically suggest that remittances will either stimulate sending economies through consumption multipliers or investment in capital goods, both of which are deemed conducive to development. Concerning the effects of consumption, an OECD Development Centre working paper, published the same year as the World Bank report, claims “there are a number of routes through which the macro-economic effects of remittance inflows can and do benefit the wider community and not just those families directly receiving the transfers. One such important route is through any multiplier effects of spending by the recipients. That is, the spending of remittances may generate incomes for those providing the goods and services purchased, and they in turn spend this income, setting off a chain reaction” (Katseli, Lucas, and Xenogiani 2006, 53).

These assumptions about remittance expenditure, though newly embedded in a ‘triple win’ migration-development policy doctrine, are reminiscent of earlier studies concerned with the impact of migrant incomes on patterns of consumption and investment in sending economies. An ILO study of household remittance use in Sri Lanka, for example, highlighted the developmental use of remittances by producing a decision tree (Figure 7.1) to demonstrate the various ways in which foreign incomes neatly flow into consumption or savings to be invested (De Silva, Lakshman, and Ranasinghe 1993, 3). This decision tree reveals two ‘dead ends’ for migrant income (foreign expenditures and foreign investments), numerous pathways to consumption (of remittances, goods in kind and goods brought home), and an equivalent number of savings pathways (from remittances, sold goods in kind and money brought home) leading either to consumption or to investment in housing and formal/informal businesses. Contrary to most current research, the ILO study considers education and healthcare expenditures a factor of consumption rather than investment. This distinction not only illustrates the increasingly ‘post-Washington’ parameters of mainstream migration-development discourse (e.g. public services increasingly being framed as a private investments), but also the difficulty of categorising remittance expenditures that do not fit neatly into the binary of consumption and investment. This difficulty has meant that, in practice, there are three general categories of remittance expenditure identified in the literature: basic consumption, productive investments, and a more contentious class of livelihood
expenditures – including education, healthcare, housing, vehicles and consumer durables – that may or may not reflect or facilitate 'productive activity'. The degree to which livelihood expenses are considered factors of consumption or investment varies from one study to the next, but these expenditures are increasingly housed under an expanded definition of investment invoked by the 'triple win' mantra of the contemporary migration-development paradigm.

Figure 7.1 – Remittance Decision Tree (De Silva, Lakshman and Ranasinghe 1993)

In essence, the dominant assumption regarding remittance expenditure is that migrant incomes will, one way or another, lead to favourable macroeconomic outcomes. Whether by boosting domestic demand via consumption, by directly investing in formal and informal businesses, or by 'investing' in a more ambiguous array of human and physical capital, migrant remittances are expected to stimulate productive activity in the local
Fieldwork Findings in Macroeconomic Relief

Fieldwork conducted for this thesis did not produce findings that suggested household remittance expenditure resembles a flow of foreign income channelled neatly into delineated categories of basic consumption or productive investment. Instead, remittances financed a wide range of expenses, often as much culturally determined as economically necessitated. While income was often spent on day-to-day consumption and housing, very little was earmarked for business ventures, let alone any entrepreneurship that could be considered formal sector investment. Meanwhile, some of the largest remittance outlays were debt repayments to moneylenders – particularly in Thavapuram – or socially-important expenses including jewellery, clothing, dowry payments and consumer durables. The complex realities of remittance use, itself bound by the spatial and institutional constraints of place, cloud the premise that migrant incomes have predictable and stimulatory effects for the sending economy. By using fieldwork findings to contextualise spending at the major junctures of De Silva, Lakshman and Ranasinghe's decision tree it is possible to conceive where and why the macroeconomic impacts of aggregate remittance expenditure might depart from the expectations of migration-development advocates.

Crucial aspects of the remittance transfer process are here contextualised using fieldwork findings and scrutinised in relation to their assumed macroeconomic implications for consumption and investment. The following subsections trace four key ‘decisions’ in the transfer and consumption of remittances by addressing: i) the percentage of foreign income sent home as remittances; ii) the prevalence and nature of money and goods brought home upon migrants’ return; iii) the ways in which remittances are directly consumed by recipient households; and iv) the manner in which any eventual savings are used.

Remittance Rates

An immediate consideration highlighted by the decision tree, though not in itself of consequence to remittance expenditure, is the percentage of migrant incomes that actually
leave the foreign economy in the form of remittances. The average remittance rate amongst those surveyed was 80 percent of their income, a figure consistent with similar studies conducted in Sri Lanka (De Silva, Lakshman, and Ranasinghe 1993, 34). For male migrants, however, a lesser proportion of income (an average of 70 percent) was remitted because their employment was more likely to entail additional expenses: sometimes for transport, sometimes for food, sometimes for accommodation, but also for entertainment and socialising with other migrants in a manner that women domestic workers generally cannot. Conversely, women reported higher than average remittance rates as most of their day-to-day expenses were included in the terms of their employment while, as mentioned, opportunities to socialise and spend money are limited. Thus, despite overall increases in migrant outflows and remittance inflows, it can be expected that remittance rates themselves will decline in step with the steady masculinisation of temporary labour migration in Sri Lanka. Regardless of their eventual use, remittances represent only a percentage of the foreign income earned by migrant labour, the rest of which is retained by receiving economies and international firms – the macroeconomic implications of which are examined in the following chapter.

Money and Goods Brought on Return

Sri Lanka has had a well-developed and easily-accessible remittance infrastructure in place since the beginnings of temporary labour migration owing to the foreign exchange restrictions imposed by the Exchange Control Act No. 24 of 1953, which curtailed all foreign exchange transactions to take place via licensed commercial banks (Lasagabaster, Maimbo, and Hulugalle 2005, 4). All formal remittance transfers are carried out in a regulated framework by 22 licensed banks, along with three restricted agents: Sri Lanka Post, the National Savings Bank and MMBL Money Transfer Ltd., a private subsidiary of a licensed commercial bank (Gunatilleke, Colombage, and Perera 2010). As such, very few migrants are known to return with their foreign income carried in person; it is generally faster, easier and safer to use formal remittance channels and interviewed returnees expressed satisfaction with these options. Sending income via bank transfers or postal cheques, for example, accounted for 83 percent of remittance methods, while a minority used private money transfer businesses such as Western Union and MoneyGram instead.  

These remittance methods are reflective of popular strategies used by returnees who migrated at various points in time since 1977. A study by Judith Shaw (2007), concerning recently returned migrants, suggests that private money transfers now account for a greater share of remittance methods.
Just one returnee, a woman from Thavapuram, reported having taken her income home in person. Her story highlights the risks associated with carrying physical remittances. Having migrated in 2008, following the end of the civil war in the Eastern Province, she remained cautious of formal remittance channels and opted to carry back the entirety of three years earnings in US dollars, a sum amounting to $10,000. She explained, “I saved my whole salary. I reached Sri Lanka airport, from there I got in a bus to reach Pettah, to take another bus to go to my house. I was kidnapped by two people near to Fort railway station in Pettah. They took me on a three-wheeler and they kept me in a jungle area in Kekirawa. They stole my money, jewels and clothing – everything – and luckily I escaped from them and filed a case in Kekirawa police station. I came home to nothing, everything was wasted”.

For the majority of migrants not affected by the lack of infrastructural capacity and institutional trust associated with life in an acutely underdeveloped and war-affected region, there is little reason to risk carrying remittances in person. Foreign goods, however, are frequently brought home by migrant returnees. Returnees cited two main reasons for this. For domestic workers in particular, employers would occasionally hand down clothes and consumer durables that were no longer needed, or gift jewellery and other small valuables. These acts of goodwill were sometimes discussed by returnees as the hallmark of a 'good' employer. For others, however, spending income on foreign goods was a conscious decision tempered by personal or familial considerations of status. As discussed in Chapter Six, migrants are often subjected to the social pressure of returning home as a visible 'success story', and bringing foreign goods in tow is a crucial means of fulfilling this expectation. Although there are numerous duty-free shops catering to migrants at Bandaranaike International Airport, most of them selling the 'big ticket' white goods and electrical items that returnees are likely to return home with, a majority of the migrants surveyed purchased these items abroad instead. Fieldwork findings indicated that 50 percent of all participants purchased consumer durables from abroad, while 43 percent purchased consumer durables within Sri Lanka after their return; some migrants bought goods while overseas and at home, while only a few (typically those cheated, abused or debt-burdened) bought no goods at all.

A combination of factors appear to make purchasing status goods from abroad more appealing than buying them locally. As suggested previously, the social and recreational aspects of shopping during days off (if applicable) offers an intuitive behavioural
explanation for this preference for foreign goods, both because it is an opportunity to interact with other migrants and because it can also stir an element of peer pressure in spending decisions. Meanwhile, well-established shipping services offer to ferry goods at reasonable prices, reducing the logistical inconvenience of buying goods abroad. One migrant, a woman from Pilani who had been working in Lebanon in the 1980s, explained that such a shopping trip had even been arranged by her employers: “A few days before I came home to Sri Lanka, they took me to the shops and I have to spend my money and buy the things I wanted, such as jewellery and clothes. I bought a chain, a bangle, television, a fridge, some clothes to wear”.

However, there is also an important qualitative difference between foreign goods and those available locally. Just as the social value of foreign jewellery is defined in part by colours and styles unavailable in Sri Lanka, so too do consumer durables brought from abroad appear to signify status beyond the more limited scope of brands and models that can be bought locally. Foreign goods, insofar as they are distinguishable from locally bought alternatives, broadcast a particular articulation of status by emulating ‘sophisticated’ foreign taste in a manner unobtainable except though the act of migration itself. As with the adoption of foreign clothes and mannerisms, the consumption of foreign goods creates a coveted point of social distinction that conveys adherence to the popular narrative of migrant success.

Thus, despite government attempts to incentivise local spending by issuing special duty-free permits to returning migrants, the social and status considerations bound up in the purchasing of foreign goods might be more meaningful to migrants. Ironically, these same duty-free permits have created opportunities for returning migrants to make some extra money in transit, at the expense of forsaken government duties. As the ILO project coordinator interviewed during fieldwork explained, “Sometimes it’s sold as well, while they’re on the plane, to other people. Because I have myself been sitting at a departure gate, and overheard one girl tell the other girl, ‘look sister some people may approach you to buy your duty-free pass, you can say yes you’ll buy it for them, and at some point you can ask them for money and hand over the goods to them’. That kind of thing”.

Returning to a macroeconomic perspective, goods brought on return amount to a further leakage of migrant incomes that would otherwise be remitted. Moreover, this leakage is
likely to be quite sizeable, given that: i) foreign purchases of jewellery, clothing and consumer durables are preferred over purchases of local alternatives and; ii) the considerable portion of migrant incomes spent on these categories of expenditure. As with foreign expenses, then, foreign purchases lay claim to a significant portion of migrant incomes before they even acquire the potential to stimulate the Sri Lankan economy. The countervailing inflow of purchased goods is no substitute for this lost income, as these are largely status goods that derive their social value by virtue of conspicuous ownership and are rarely sold on, with the exception of jewellery, which is frequently pawned as collateral for loans (but typically reclaimed).

Direct Consumption

The degree to which remittances – whether official, unofficial or in kind – are spent on day-to-day consumption is the first and often principal tier at which migrant incomes affect the sending economy. Fieldwork findings suggested that the direct consumption of remittances for basic needs of the recipient family (predominantly buying food and paying bills) was a common expenditure for 86 percent of all participants. 12 percent of returnees stated that these costs comprised the largest share of their remittance expenditure, with only housing and debt repayments more frequently identified as the largest expense; when considering second and third largest shares of expenditure (as shown in Table 7.1\textsuperscript{27}), day-to-day consumption clearly emerges as a prominent form of remittance use.

Other studies of household remittance use in Sri Lanka corroborate a high concentration of day-to-day consumption costs relative to other categories of expenditure (Amjad 1989; Athukorala 1992; A. De Silva, Lakshman, and Ranasinghe 1993; Kottegoda 2004; Arunatilake et al. 2010; Gunatileke, Colombage, and Perera 2010). Studies that have examined remittance expenditure in measurable detail estimate that Sri Lankan migrants spend as much as 35 percent of their total remitted income on direct consumption (De Silva, Lakshman and Ranasinghe 1993).

\textsuperscript{27} ‘None’ denotes a lack of primary or secondary remittance expenditures. In the case of primary expenditures it reflects the failure to remit any income, in secondary expenditures it reflects an absence of expenditure outside of previously denoted categories. For example, the large share of ‘None’ results amongst third largest shares of remittance expenditure indicate that all available remittances were spent on the first and second largest shares.
The Sri Lankan migration literature offers three dominant explanations for the degree of remitted income that finds its way into direct consumption, encompassing gendered decision making structures, income displacement, and the size and timing of remittance transfers. The first and perhaps most enduring interpretation is that Sri Lankan men, historically remittance-recipients owing to the feminisation of temporary labour migration, squander their spouses’ income on gambling and alcohol (Shaw 2010). Although such cases do still occur, as borne out by contemporaneous anecdotal evidence (Kottegoda et al. 2013, 60), the notoriety of men’s ‘wasteful’ expenditure tends to outstrip the degree to which it occurs (Gamburd 2000). A second and related argument is that the presence of remittances acts to deter other family members from working, so that while foreign income supports the household it also has to counteract a loss of local income, resulting in remittance dependent consumption. A third contention is that remittances are sent as small, regular payments that are more easily consumed than saved, particularly under circumstances of inept remittance management.

Fieldwork findings from this study supported all of these considerations, to a certain degree. For example, three women spoke of having abusive partners who took advantage of them via foreign employment. One of these men in particular was able to coerce the respondent into migration, only to spend her remittances on alcohol, drugs and a relationship with another woman. Some spoke of their spouse’s lack of economic activity during their absence, but ironically this was most often the case where men had made a
conscious effort to undertake the deficit of care work created by their wives’ departure and was usually accompanied by the express satisfaction of the respondent. Others expressed a clear exasperation with not understanding where the money had gone, although it is hard to attribute this frustration to the frequency of remittance transfers, mismanagement on behalf of the recipient, or a sheer insufficiency of income. What was most clear from the interviews, however, was the degree of economic hardship faced by migrant families and the material need to regularly commit remittances towards day-to-day consumption costs as a means of household survival. The acuteness of such circumstances differed according to place, as would be expected, but even the most successful migrant communities were seen to struggle to meet the rising cost of everyday life. In this sense, there is reason to attribute high remittance consumption to a state of underdevelopment itself, above and beyond patterns of expenditure characterised by remittance mismanagement. This is supported by the finding that 84 percent of returnees indicated that they were happy with the way their income was managed.

The day-to-day consumption of remittances has an immediate and widely-recognised impact on poverty alleviation (Shaw 2010), although a lack of longitudinal survey data presents problems in assessing whether short-term improvements translate into long-term benefits for the household and theoretical debates on the causality of migration and poverty remain unresolved (Skeldon, 2005: 256). Putting aside the potential for poverty alleviation amongst migrant households themselves, the extent to which remittances assume a subsistence function poses problems for the expansionary narrative of remittance utilisation. The day-to-day consumption of migrant households, though stabilised by remittances, is unlikely to increase to the point of stimulating demand or generating spillovers in any substantial way. Furthermore, in situations where remitted income substitutes for the local employment of other family members, as has often been reported in Sri Lanka (Gamburd 2000; Siddiqui and Perera 2000; Kottegoda 2004; Shaw 2010; Eversole and Shaw 2010), slight increases to consumption are accompanied by a deleterious loss of productive labour.

_Savings – Consumption, Housing, Investment_

The last and most theoretically contentious aspect of remittance expenditure is the use of income kept aside as savings. It is at this juncture of remittance use that foreign incomes
are expected to crystallise as business investments and an array of livelihood expenditures that stimulate the local economy. However, insofar as ‘savings’ is taken to denote the use of income that is surplus to immediate consumption needs, it also pertains to the extensive debt repayments discussed in Chapter Five.

Of all the major categories of expenditure encompassed by the use of savings, education costs emerge as the most frequent outlay with 58 percent of households spending at least some money on schooling. It is followed by housing, debt repayments, jewellery, healthcare, consumer durables and – lastly – business. Perhaps more telling is the relative share of these expenditures, with housing the single largest remittance outlay for 35 percent of migrants and debt repayment the largest for a further 25 percent; in contrast, education was the primary expense for 7 percent of participants, with jewellery and business investment accounting for 4 percent, and healthcare just 2 percent (Figure 2). These findings are broadly consistent with every major study concerning remittance use in Sri Lanka (Dias 1986; Gunatilleke 1986; Rodrigo and Jayatissa 1989; Amjad 1989; A. De Silva, Lakshman, and Ranasinghe 1993; Eversole and Shaw 2010; Gunatilleke, Colombage, and Perera 2010). Most notably, these studies affirm a pattern that appears to have changed very little since the early 1980s: concentrated remittance expenditure on housing and loan repayments, a dearth of business investments and various smaller outlays on education, consumer durables, personal effects and the amassing dowries (of which housing is often a key part). This consistency in the use of savings over time itself confers the impression that remittances have produced subsistence outcomes for migrants and their communities, rather than lasting development and accompanying shifts in patterns of expenditure.

The complex ways in which status can be reconstructed through migration, amidst and often belying material hardship, offers an intuitive explanation for this trend. Home ownership as a cultural expectation is made increasingly difficult to fulfil under conditions of local employment, but as a symbol of personal independence and a platform from which to project the material edifice of success it is also the most immediate expression of status. It is the bedrock upon which consumer durables inherit their meaning; there is no use in acquiring televisions, fine crockery and leather settees without a fitting room to house

---

28 Business expenses were taken to include the purchase of vehicles, such as motorbikes and vans, which are otherwise hard to categorise as they may or may not be intended for business use.
them in. Likewise, as with jewellery and other valuable assets, housing is often a key component in dowry payments and can be used to secure a ‘good’ marriage and in that way, too, reclaim a sense of social standing otherwise unobtainable. These forms of expenditure are pivotal elements of conspicuous consumption that, far from being ‘wasteful’, are an important form of social communication that responds to a prevailing de-socialisation of labour. Investment in business, on the other hand, requires more savings, know-how and appetite for risk than most returned migrants are likely to possess. While some chalk up limited migrant investment as symptomatic of an inherent “lack of entrepreneurial spirit” (De Silva, Lakshman and Ranasinghe 1993, 44), it is important to consider that many return facing indebtedness or with insignificant savings. As discussed in Chapter Four, migrants often aspired to start a business or pursue self-employment in lieu of local employment opportunities, but were unable to do so with the money they sent home. In comparison, status goods are more affordable and confer immediate social benefits, the value of which might be greater than the pursuit of entrepreneurship.

No migrants were observed to have made formal sector business investments, a finding that reflects the status quo of a highly informal economy (Arunatilake 2012). Businesses uniformly involved informal self-employment, typically entailing the ownership of a kade (cornershop), local services such as repairs and tailoring, or home production of basic goods such as handicrafts and foodstuffs. The preponderance of such investments is echoed in other studies on remittance use in Sri Lanka. Athukorala, for example, notes that “According to disaggregated data on business investment… such investment mostly takes place in trade, transport and other services, at the expense of ‘productive’ investment in manufacturing and agriculture” (1990, 517) while De Silva, Lakshman and Ranasinghe similarly find that “The so called ‘productive’ investment in the case of Middle East returnees tends to be concentrated in trade and service sectors. In Dias for example, only four of 150 returning male migrants invested in business - three in grocery shops and the fourth in a lathe workshop and battery recharging shop. This trend is noted in our survey as well” (1993, 47). This undermines the prevalent assumption that remittances stimulate conventional ‘productive investment’ and highlights a lack of attention paid to the nature and limitations of investment in an informal economy, which tends to reflect subsistence self-employment more so than the accumulation and reinvestment of productive capital.

The essence of how migrants' savings are spent is succinctly captured by a returnee
domestic worker interviewed by Gamburd, who advised, “*Money in the bank will vanish; if you start a business, it will go bankrupt. Invest in land and a house*” (Gamburd 2004, 179). This message distils the macroeconomic effects of remittance use reported throughout the Sri Lankan literature: accumulated sums of migrant remittances are not saved or invested, but spent.

One key implication is that the expectation that remittance use will increase productive or 'entrepreneurial' activity is poorly supported, particularly with the few business investments that do occur more readily amounting to a substitute of waged labour for informal self-employment. Yet there are two other important, though frequently overlooked, macroeconomic consequences of the described patterns of remittance expenditure. The first is that prominent forms of expenditure (i.e. education, housing, debt repayments, jewellery, healthcare and consumer durables) each effect a redistribution of income to the producers of those goods and services; the developmental impact of these spillovers is thus determined by the existing geographic distribution of capital investments.

**Figure 7.2 - (De Silva, Lakshman, and Ranasinghe 1993)**

<table>
<thead>
<tr>
<th>Ownership of Consumer Durables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-Migration</strong></td>
</tr>
<tr>
<td>Sewing Machines</td>
</tr>
<tr>
<td>Cookers (Kerosene, Gas, Electric)</td>
</tr>
<tr>
<td>Refrigerators</td>
</tr>
<tr>
<td>Deep Freezers</td>
</tr>
<tr>
<td>Radio</td>
</tr>
<tr>
<td>Television</td>
</tr>
<tr>
<td>Video</td>
</tr>
<tr>
<td>Stereo</td>
</tr>
<tr>
<td>Washing Machines</td>
</tr>
<tr>
<td>Dish Washers</td>
</tr>
<tr>
<td>Vacuum Cleaners</td>
</tr>
<tr>
<td>Fan</td>
</tr>
<tr>
<td>None of the above</td>
</tr>
</tbody>
</table>

Secondly, and apropos, consumer durables – as a frequent component of remittance expenditure – are almost unanimously constitutive of imported goods and together aggravate Sri Lanka’s current account deficit by redistributing income out of the economy.
Notably, goods frequently classified as 'productive investments' within mainstream migration-development discourse feature heavily in this category. The findings of Eversole and Shaw indicate that “in Sri Lanka, 59 percent of respondents reported a 'substantial' post-departure improvement in ownership of major household assets such as motorcycles, refrigerators, televisions and sewing machines, while 16 percent reported a 'moderate' improvement” (Eversole and Shaw 2010, 190), while an earlier study by Gunatilake offers a clear itemised comparison of such expenditures before and after migration (Figure 7.2). Although difficult to quantify, this study and others suggest migrants purchase a considerable extent of consumer goods. It is therefore reasonable to suggest that remittance expenditure has a moderate effect on demand for imports.

A Critique of Remittance-led Development

Empirical data demonstrates that the expected benefits arising from household remittance use are their multiplier effects are overstated and oversimplify the remittance transfer process. Elucidating the social and material pressures residing at key junctures in the flow of migrant incomes, from foreign wages to household savings, reveals a series of leakages and redirections that diminish the scope of remittances to benefit the sending economy in any substantial way. Even before migrants are paid, deductions are often made for accommodation and food, after which foreign expenses and purchases claim more income prior to remittance, which then largely augments household consumption (sometime supplanting other incomes) and finances debt repayment, before residual savings can be allocated for more specific expenditures. Within the confines of express social expectation and limited means, these savings are seen to be spent more readily on housing, education, jewellery and consumer goods than on any form of business investments. Where investments are made, they are largely made in the form of informal self-employment ventures that fail to satisfy the notions of productive investment and capital accumulation conjured up by the language of entrepreneurship. Rather than fostering development amongst those most in need, as lauded by the World Bank (2006), remittance expenditure appears to promote varying degrees of subsistence while generating spillovers that redirect income out of underdeveloped local communities and towards established loci of capital accumulation within Sri Lanka and – via imported goods – outside the economy.

29 For male workers; domestic workers receive board at no additional expense.
This pattern of income redirection is, in fact, partially anticipated by the authors of an OECD working paper otherwise pronouncedly optimistic about remittance-led development. Their disclaimers to the general expectation of a remittance multiplier effect are worth quoting at length: “Three general issues may be noted with respect to this potential multiplier effect. First, for additional domestic spending to result in added domestic production requires either idle capacity or fresh inputs to enable this production. Where production is effectively constrained by production capacity, additional spending is more likely to result in either rising prices or spending on imports... Second, as already noted, migrants tend to originate from some, specific places and regions and not others. Local spending in these area may not have much impact on other areas if the multiplier linkages remain largely local, which depends upon the extent of trade in goods and services beyond the specific community. Third, remittance transfers enter the economy through a select set of families. Their initial spending may or may not be similar to the national average. Nonetheless after one or two rounds in the spending-income chain, the multiplier effect of remittance spending is likely to resemble the multiplier effect of any other spending in this economy” (Katseli and Lucas, 2006). Applying these general issues to empirical evidence from Sri Lanka suggests that: i) spending on imports does indeed occur in lieu of existing or fresh productive capacity (i.e. the general lack of a diversified manufacturing sector); ii) with most of Sri Lanka's migrants originating from underdeveloped rural areas, local spending actually promotes multiplier linkages with more developed regions instead of home communities; and iii) spending does importantly differ from non-migrant households, insofar as remittance expenditure remains a crucial facilitator of status consumption. These outcomes more accurately portray a process that could be dubbed 'remittance-led uneven development'. Sri Lanka's case confirms the insights of more critical pockets of migration theory that invert the causality of 'migration-development' in emphasising development itself a precondition for successful migration outcomes (Delgado Wise and Covarrubias 2009).

These fieldwork findings have questioned the assumed macroeconomic implication of remittances as a form of private expenditure by highlighting various leakages of migrant income, patterns of household expenditures and the redistribution of demand this entails. The chapter now moves beyond empirical research altogether in addressing the contradictions associated with the second and more indirect aspect of remittance capital, as a source of foreign exchange earnings.
Remittances as Foreign Exchange Earnings

Remittance capital is also framed by the mainstream migration literature as an important form of foreign exchange earnings. In Sri Lanka, migrant worker remittances amounted to US$6.9 billion in foreign exchange receipts during 2015, equivalent to 66 percent of all export earnings and 8.5 percent of GDP for the same year (CBSL 2016).

Compared to other migrant-sending countries throughout Asia, Sri Lanka has a relatively regulated remittance infrastructure with high rates of formal transfers relative to unofficial remittances sent through informal channels (Gunatilleke, Colombage, and Perera 2010; Athukorala 1992). Formal transfers are those mediated by the 25 financial institutions licensed by the Exchange Control Department of the CBSL and include money and postal orders, bank transfers and transactions conducted by money transfer businesses (which are legally required to operate through a licensed financial institution). While there is some discrepancy in attempts to gauge the magnitude of informal remittance transfers, Rodrigo and Jayatissa’s widely-cited findings suggest as little as 13 percent of all transfers were informal during the mid-1980s, representing a prevalence of formal remittance capture second only to South Korea (1989). More recent studies have inconclusively disputed current figures (Lasagabaster, Maimbo, and Hulugalle 2005; Page and Plaza 2006), but the weight of opinion suggests that informal remittances remain significantly lower than other major migrant-sending countries in the region, indicating the general efficacy of the formal transfer system.

The formality of remittances is an important consideration, as popular informal remittance channels such as the Hundi and Hawala systems leak potential foreign exchange receipts by exchanging payment obligations within an extensive international network of money brokers. Such transfers often involve no actual movement of money and, depending on the method of eventual settlement between money brokers, may elude banking channels altogether (El Qorchi, Maimbo, and Wilson 2003, 14). By capturing a large share of remittances through formal channels, Sri Lanka streamlines the process by which migrant incomes contribute to the Balance of Payments as current transfers.

30 22 private banks, two national banks and the Sri Lanka Post Service.
31 Although the specific entry for remitted income was reclassified from ‘workers’ remittances’ to ‘personal transfers’ during the transition between the Fifth and Sixth Editions of the IMF Balance of Payments Manual (1993; 2009), which Sri Lanka adopted in 1997 and 2012 respectively, it continues to be
Throughout the migration-development literature there is a tendency to portray the foreign exchange earnings provided by remittances as axiomatically beneficial to the sending economy. This assumption is frequently held by authors otherwise critical of temporary labour migration practices, positioning the foreign exchange receipts as a silver lining to an exploitative and risk-laden survival strategy. The Sri Lankan corner of the literature is no different, with several studies highlighting important constraints and challenges faced by migrant households while treating the macroeconomic benefit of aggregate foreign exchange earnings as self-evident (Athukorala 1992; Kageyama 2008; Karunaratne 2008; Eversole and Shaw 2010; Gunatilleke, Colombage, and Perera 2010).

The implicit logic is that remittances are vital in providing the foreign exchange necessary to prop-up the current account against countervailing trade deficits, thereby keeping the rupee strong and stable. A stronger rupee, in turn, keeps imports affordable and allows the government to accrue foreign reserves, which ease existing loan repayments and enhance creditworthiness for further international borrowing needed to finance ongoing developmental projects. With remittances comprising the single largest source of export earnings for Sri Lanka, and the principal cushion in the Balance of Payments since the early 1990s, it is easy to understand why this stability might be construed as positive. This sentiment is outlined concisely by the OECD working paper cited earlier in the chapter, “For economies where imports are high relative to foreign exchange reserves, or for heavily indebted nations, any addition to foreign exchange availability can prove very valuable. Limited access to world financial markets inhibits production opportunities at home, by limiting availability of material imports and even of trade credit. In such instances, remittances can lower a critical barrier to production expansion and prove extremely valuable” (Katseli, Lucas, and Xenogiani 2006, 55).

The major problem with this reasoning is that any potential for developmental benefit is highly contingent on how the government utilises the money it borrows, which is itself constrained by incidental macroeconomic circumstances. An evaluation of the potential positive impact of remittances as a source of development finance requires consideration of two risks embedded in such a macroeconomic strategy: 'Dutch-Disease' and path dependency.

recorded as a current transfer, i.e. a one-sided transaction from a resident to a non-resident entity.
Dutch-Disease

Dutch-Disease is one of the more commonly acknowledged negative side-effects for small economies receiving significant remittance inflows relative to GDP, as is manifestly the case in Sri Lanka. Even outspoken advocates of remittance-led development acknowledge the likelihood of remittances leading to Dutch-Disease under such circumstances (Ratha 2007, 5). The term originates from a discussion of the Netherlands’s rapid currency appreciation following the discovery of natural gas resources and the concomitant decline of manufacturing industries made uncompetitive by this currency distortion. It applies equally to any situation where an isolated injection of capital in one area of the economy drives up the real exchange rate to the detriment of unaffected traditional export sectors, typically resulting in the reallocation of resources from tradeable to non-tradeable sectors of the economy. The inflow of remittances into Sri Lanka and other South Asian economies (Bangladesh, India and Pakistan) has been shown to produce this effect (Roy and Dixon 2015). Different exchange-rate regimes can affect the severity this has on the export sector, as a floating exchange rate may cause a degree of nominal (and real) currency depreciation to compensate a loss of export competitiveness, whereas managed adherence to some form of nominal currency peg may deter depreciation and exacerbate the Dutch-Disease (Lartey, Mandelman, and Acosta 2012).

Figure 7.3 – Real Effective Exchange Rate vs Remittances as GDP (Lartey, Mandelman, and Acosta 2012)
Sri Lanka claimed to adopt a floating exchange rate in 2001 (CBSL 2016), but remained a de facto fixed currency pegged to the US dollar (Cavoli and Rajan 2013) until relaxing currency management and adopting a 'soft-peg' in September 2015. Regardless of ostensible differences in exchange rate regime, Sri Lanka has maintained a remittance-appreciated rupee (Figure 7.3). As mentioned previously, a strong rupee is desirable for the government, as it ensures imports are affordable and international loans obtainable. However, in keeping a high exchange rate the government has tacitly forfeited the ability to direct remittance capital (in the form of development loans) towards export diversification. Sri Lanka's nascent export industries already struggle to compete with regional competition amidst a global 'race to the bottom' in manufacturing costs, with Bangladesh and Cambodia progressively hollowing out the country's once dominant grasp on garment production. Using remittances to shore up the current account allows Sri Lanka to maintain a strong currency, but it also engenders a profound macroeconomic contradiction by eroding the already anaemic export component of the current account, thus necessitating increased remittances to continue cushioning the Balance of Payments. Meanwhile, and typical of Dutch-Disease, local capital in the non-tradeable service sector has benefitted from losses to manufacturing through the reallocation of demand. This is illustrated by the steady growth of non-tradeables relative to tradeable goods alongside the growth of remittances (Figure 7.4).

Figure 7.4 – Tradeable/Non-Tradeable Output vs Remittances as GDP (Lartey, Mandelman, and Acosta 2012)
The extent of Sri Lanka’s experience of remittance-driven Dutch-Disease and its ramifications for long term development prospects were tellingly discussed by the senior director from the IPS (Sri Lanka’s foremost economic policy institute) during fieldwork interviews: “If you look at the overall structure of the economy you see the services sector and accounts sector is 60 percent of GDP, compared to manufacturing which is at 20-24 percent of GDP. You see, all the services are very consumption driven. That is why the service sector or the non-tradeable sector, as an economist will know, is the sector that is growing currently in Sri Lankan economy. And that this is a very sad thing, because our growth is not sustainable. We are pursuing basically a debt-driven consumption and investment led growth, rather than the traditional East Asian story of export-led industrialisation and FDI, a growth strategy which is much more sustainable. The productive non-tradeable sector is growing at a very high rate, but our productive tradeable sector is not at all growing satisfactorily. The exchange rate is also favourable for the non-tradeable sector because Sri Lanka is a highly indebted country. All these infrastructure projects these Rajapaksa government is doing are all debt-driven. 100 percent debt driven, not public-private partnerships, etcetera. They are all government funded, debt-driven projects... to facilitate debt payment the government policy makers are giving more importance to having an appreciated exchange rate, then debt payment becomes easier and that comes at a cost of export promotion. This is what’s happening”.

Beyond the immediate problems associated with the ‘Dutch-Disease’ effects of remittance capital, Sri Lanka’s ensuing trade deficit and reliance upon foreign loans suggests a more deeply structured developmental limitation. Anwar Shaikh’s critique of the law of comparative costs identifies precisely these characteristics as central to trade-driven underdevelopment, wherein trade disparities between developed and underdeveloped regions are not automatically resolved through comparative advantage, but instead become absolute advantages sustained by short-term capital flows (international loans) from surplus to deficit regions (Shaikh 1980). For Shaikh, a chronic inability to improve these terms of trade ensures that underdeveloped regions remain servicing external debt (along with interest incurred) to the advantage of more developed regions from which these capital flows originate. Remittance capital, by increasing the viability of loan repayments while undermining domestic export industries, encourages further reliance on international loans while worsening the underlying trade imbalance. This, however, relates to uneven development between economies, a theme discussed in more detail in
the following chapter.

**Path Dependency**

A second consideration is the path dependency of a remittance-led development strategy. The very presence of substantial remittances relative to exports indicates that temporary labour migration has already become something of a macroeconomic pillar, itself reliant on uneven development as a structural precedent to ensure the continued need of the economically marginalised to pursue work abroad. As fieldwork findings indicated, *forced migration* is an overarching experience amongst Sri Lanka's working poor who would not leave for foreign employment if decent work (not necessarily equivalently remunerated) were available locally. Using remittance capital to finance an inclusive vision of development, including local employment generation, thus demands a counterintuitive break with path dependency because alleviating the structural pressure to migrate risks killing the cash cow of foreign exchange receipts from migrant incomes. This path dependency towards uneven development is mutually reinforcing of the economic distortion of remittance-driven Dutch-Disease. On the one hand, a remittance-appreciated rupee finances development but precludes the potential for mass employment in export production, on the other hand, a structural disinclination to generate local employment further eschews industrial policy and ensures an increasing dependence on remittances to keep the currency strong. As migration also acts as a reflexive safety valve for latent political discontent arising from uneven development, the marginalisation of Sri Lanka's poor can be sustained while developmental projects assuage the more obdurate interests of local capital.

Shaw discusses the symptoms of a path dependent dynamic of uneven development when she notes, "the sobering reality is that broad-based, poverty-clearing rural development has remained an elusive goal for most developing countries, and Sri Lanka’s recent history gives little cause for optimism. The flow of remittances into Sri Lanka has created a vast new pool of potential investment capital and strengthened demand for locally produced goods and services. However, there has not been a commensurate expansion in local business activity, because the economic climate is highly unfavourable, due to civil conflict, high inflation, weak financial intermediation, and under-investment in infrastructure and human capital in the rural areas where three quarters of the population
live” (Shaw 2010, 28). However, in diagnosing Sri Lanka’s shortcomings through the lens of migrant entrepreneurship Shaw illustrates the superficiality of the concept, and the entire ‘self-help’ genre, in interpreting developmental processes. Far from being determined by an array of discrete market imperfections, the uneven returns accruing from remittance capital are embedded in larger historical structures and cannot be understood without attention to capitalist social relations and the state’s mediation of these relations through developmental policy. An analysis of how Sri Lanka has used loans to finance developmental projects, and who has stood to gain from these policies, is therefore a useful means of demonstrating the path dependency of its remittance-driven economy.

**Spending Other People’s Money: Remittance-financed Development**

Following the acrimonious end to Sri Lanka’s civil war in 2009, the then incumbent Rajapaksa government diverted large public spending from military operations to developmental projects. These projects have been predominantly infrastructural and overwhelmingly concentrated in and around Colombo, with the notable exceptions of post-war reconstruction in Jaffna and several pet projects located in Rajapaksa’s home district of Hambantota, in the majority-Sinhalese Southern Province (World Bank 2012). The most significant infrastructure project outside of Colombo has been the construction of Sri Lanka’s first highway, connecting Colombo to Galle and Matara along the south coast with the intention of extending to Hambantota, where the Mahinda Rajapaksa International Airport was opened to operate as a second airport for the country and a new shipping port built in the harbour. Road and rail connections to Jaffna were also undertaken, creating easy overland access to and from the war-torn capital of the north, which has been earmarked for redevelopment. The SLFP government, with historical commitments to the non-aligned movement, sought initial loans for the southern highway from the Asian Development Bank (ADB) and Japan Bank for International Cooperation (JBIC) before seeking further loans from China’s EXIM Bank to finance most other projects. However, consistent with EXIM Bank’s well-documented philosophy of muddying development loans with national interest (Bräutigam 2011), China reaped conspicuous benefits from these projects. Construction of the highway was contracted first to the China Harbour Engineering Company (CHEC) and then to the Taisei Corporation of Japan, while the CHEC was also contracted to construct Hambantota port and airport. Sri Lankan labour
was effectively displaced by low and semi-skilled Chinese labour employed extensively throughout the construction process, greatly diminishing any local employment spillovers from combined outlays in excess of US$1.7 billion (Gunasinghe 2012). Moreover, Hambantota port is itself geopolitically important to China, as it provides a strategic node in a 'string of pearls' allowing freighters to bypass Indian trading ports.

Despite deriving political power from a largely rural Sinhalese constituency, and sporting the popular image of supporting the interests of that demographic, Rajapaksa’s commitment to rural development hinged upon celebrating the tangible edifice of a progress that was – particularly for the poor – largely symbolic. Highway extensions to Hambantota remain incomplete, while its port operates at a fraction of capacity and Mahinda Rajapaksa International Airport derided as world’s emptiest international airport. As Gunasinghe notes, “Hambantota although having served as a commercial hub in ancient times, is no longer a critical nucleus or indeed even located close to one. The population is primarily dependent on agriculture and fishing and consists of the rural poor. Consequently, the area lacks both human and financial resources to develop as an industrial hub. Logical analysis fails to explain the focus on Hambantota for large scale infrastructure development and foreign investment promotion. Hambantota does however lay claim to being the ancestral home and electoral seat of the incumbent President and other members of his family who are actively engaged in politics. The scale and style of developments in Hambantota only makes sense when viewed as a long term political investment strategy which spans generations” (2012, 2). Meanwhile, fieldwork suggests Hambantota’s development has induced forcible displacement and relocation of local populations leading to a loss of livelihoods, environmental degradation and psychological trauma (Gunasinghe 2012, 10-11). With Hambantota sitting idle, the incumbent Sirisena government is now entertaining a Chinese proposal to establish a large, tax-exempt SEZ that can feed into the established trading route and service docked freighters. While job creation is intended, concerns have been raised about the ability for local workers to find employment in any but the most menial and exploitative of production roles conditioned by SEZ zoning, while foreign capital and skilled migrants reap greater benefits (Gunasinghe 2012; Buthpitiya 2013).

More troubling is the manner in which the aftermath of Sri Lanka’s civil war has been exploited in the name of development. The unpopularity of textile manufacturing among
Sinhalese Buddhist women due to social stigma, low wages and poor living conditions (Arunatilake 2012) has created job shortages in Sri Lanka’s primary export industry (Fernando 2013). The industry’s umbrella body, the Joint Apparel Association Forum (JAAF), had until recently planned on recruiting 35,000 foreign workers from cheap labour markets in India, Bangladesh and Myanmar, but it aborted the plan in favour of greater use of domestic labour (Chandrasena 2013). Accompanying this change in tack has been the steady integration into the garment industry of Tamil women, a majority of whom are Internally Displaced Persons seeking employment in the South after fleeing post-conflict poverty in the North (Fernando 2013). Tamil women working in the Katunayake export-processing zone have experienced discrimination in employment and working conditions, while their segregation from Sinhalese women is used to stoke ethnic tensions and undermine attempts at collective bargaining (Fernando 2013). Concurrently, newly completed transport links to Jaffna have provided logistical support for an influx of local (and likely Sinhalese) capital to establish supermarkets, shopping malls and tourist enterprises in a militarily-backed rendition of Harvey’s accumulation by dispossession (2003). The BOI’s scouting of potential sites for new SEZs in the north – including Jaffna, Mannar and Trincomalee – reflect further intention to exploit the vulnerability of Tamil labour in the post-war context. A Japan Development Institute (JDI) review of Sri Lanka’s development strategy candidly joins these dots when it suggests, “Similarly, low cost garment companies that have become uncompetitive in the mainland area around Colombo and are facing the wrath of high labor cost could also be relocated in the Northern Province where the unemployment rate is high (around 300,000). The labor intensive garment industries could easily create a good number of jobs and still manage to survive for a few more years in Sri Lanka where the labor cost is favourably lower than Colombo” (JDI 2011, 51).

Yet, while select rural extremities have experienced some large infrastructural projects that leverage the interests of capital, Sri Lanka’s development policy has been emphatically urban in its concentration on Colombo. With Colombo having long held Singapore as a template for its idealised self32, both the Rajapaksa and Sirisena governments have invested heavily in urban development that – through their respective ‘port city’ and ‘megapolis’ projects – aspire to ‘modernise’ in the image of the South-East

---

32 Ironically, Singapore looked to Sri Lanka for its own developmental inspiration in the immediate postcolonial era.
Asian city-state. The recently resuscitated port city project intends to create an offshore section of the city built on reclaimed land, providing more landmass earmarked for business, hotels and a Formula One circuit. The CHEC is again the most likely contractor for the US$1.4 billion development. Meanwhile, the megapolis project is a US$20 billion undertaking that entails a more long-term restructuring of Colombo into distinct zones, with dedicated shopping, entertainment and cultural districts situated in areas that were until recently slum housing occupied by Colombo’s poor (David 2011; Dissanayake 2016). Described by the Urban Development Authority (UDA) as ‘city beautification’, development-induced displacement has resulted in involuntary urban resettlement programs that, although usually accompanied by upgraded facilities, often disrupt the lives of the poor as communities and livelihoods endemic to the heart of the city are reassembled on its outskirts (Stenholm 2015). Research has shown that this is particularly true of slum dwellers who are rehoused in high-rise accommodation, severing access to the spatial characteristics of informal economies that frequently involve operating from home and selling to passersby.

This disruption to the urban landscape has been justified on the basis of the intention to transform “the whole Western Region as the most vibrant and liveable cosmopolitan Smart City Region in South Asia – creating opportunities for all its inhabitants and investors, achieving the highest environmental standard and quality of life, ensuring sociocultural harmony, and expanding its position as the preferred location for business and industry” (MMWD 2016, 130). The Ministry of Megapolis and Western Development (MMWD) candidly states, “The low-income community regeneration programs are urgent; especially to release the economic corridors occupied by them” (MMWD 2016, 105). Such intentions clearly benefit local and foreign capital, which is clustered in and around Colombo and largely invested in the services sector the plan intends to promote, but does little to accommodate the urban poor – let alone the majority of the population that lives outside the city or even the Western Province. By concentrating development so acutely on Colombo as a city-state in waiting, Sri Lanka is perpetuating a historical pattern of uneven development that marginalises the vast rural economy. None of the loans taken to finance these projects would be possible without the foreign exchange earnings provisioned by migrant remittances, as Sirisena well knows, having returned to less-stringent Chinese borrowing after dwindling foreign reserves undermined the viability of
obtaining Western finance. At the same time, those remittances – essential in financing long-term commitments and debt obligations – depend on the continuation of structural pressures to migrate arising from uneven development. The arc of Sri Lanka’s developmental vision attests to the reality of this growing contradiction.

**Conclusion**

Remittance capital, the sum of two constituent elements of household remittances and foreign exchange earnings, allows for a process of uneven development that would otherwise be unsustainable. In practice, the use of remittances by migrant households falls short of the optimistic assumptions that are asserted in international policy discourse: contextualising the flow of foreign income reveals numerous remittance leakages, material hardships and social expectations that frustrate the ‘investment’ outcomes evoked by the language of entrepreneurship. Few productive investments are made, and nor should they be, as this effectively outsources the onus of development from the state to the poor themselves, in a manner that pathologises poverty and undermines the entitlement to decent local work. Significant expenditures that are made – be they on housing, education, debt repayments or status goods – have a tendency to redistribute income abroad (through imports) or towards local capital. The defunding and subsequent privatisation of Sri Lanka’s education and healthcare, once the best public services in South Asia, only heightens this redistribution effect. While only providing subsistence for migrants themselves, remittances aggregate as a phenomenal injection of foreign capital for the economy. Rather than being a priori beneficial, however, a more nuanced consideration of the macroeconomic effects of a remittance-driven currency reveals inherent constraints to inclusive development arising from Dutch-Disease and path dependency. Examination of Sri Lanka’s post-war development policy corroborates this prognosis, as maintenance of an artificially strong currency has been imperative for obtaining loans and path dependent uneven development instrumental in directing government spending. As Lasagabaster et al. correctly note, “The Sri Lankan government like other developing country governments has recognised the importance of remittances and introduced incentives to facilitate foreign employment – including pre-migration facilities and services, identification of employment opportunities, training, and pre-departure loan schemes” (2005, 3). The

---

33 "The stance on China has completely changed," cabinet spokesman Rajitha Senaratne told Reuters. "Who else is going to bring us money, given tight conditions in the West?" (Aneez, 2016b).
preservation of structural pressures to work abroad, maintained through exclusionary developmental policy culminating in forced migration, can be added to this list of measures.

This observation returns attention to the historical processes of accumulation by subordination that have shaped Sri Lanka’s economy, repeatedly restructuring the relations of production by stoking existing class, gender and racial tensions in order to disempower labour and accumulate capital. Sri Lanka’s otherwise unsustainable path of remittance-led development signals a more sophisticated embodiment of this same logic. By marginalising rural populations from development, Sri Lanka’s current developmental policy subordinates migrants and would-be migrants, shifting the relations of production not by facilitating their involvement in local production, but by ‘loaning’ their labour to foreign employers. Remittances, representative of the wage component of that labour, represent the return on that loan: at once actual income sufficient to reproduce the migrant population in lieu of development and also an abstraction of that income in the form of foreign exchange earnings. It represents, in essence, an exchange of unwanted poverty for much-needed loans. The use of those loans to finance development projects that cater to the urban economy and the interests of local capital therein is, along with the redistributive effects of household remittance expenditure, the central mechanism through which accumulation is facilitated. Macroeconomically, this amounts to a fragile paradox, whereby local capital accumulation occurs independently of export growth and dependent upon migrant remittances, which can only occur insofar as uneven development persists. It further accounts for the relative inaction of Sri Lanka, and other labour-sending countries, in addressing the rights and conditions of migrant workers in West Asia; the risk of disturbing the countervailing inflow of remittances poses too great a threat to a precariously balanced the economy. As Gibson-Graham have argued, the degree of political control exerted by both migrant-sending and migrant-receiving countries to ‘manage’ migration is in this instance a manifestation of the close relationship between state and the interests of capital (Kottegoda 2004, 176).

So far, remittance-led development has appeared sustainable. Successive governments have found relative economic stability by exporting unemployment and developmental discontent, couching migrants’ reintegration in an absolving ideology of ‘self-help development’ and proceeding to direct remittance-led development towards the urban
economy and the interests of local capital, whose political favour they are demonstrably more accountable to. However, the lack of serious concern about the macroeconomic collateral of remittance dependence amongst migration-development proponents is both troubling and short sighted. That negligible attention is drawn to the fact that large remittance inflows can significantly undermine export production, particularly for a small and underdeveloped agricultural economy like Sri Lanka, is reflective of the stalwart commitment to free market economics within contemporary development theory and practice. The export-driven growth of major East Asian economies under the guidance of selective industrial policy and trade protection remains an ideological heresy discarded in advocacy of a market-led model of development that has failed to produce equivalent success stories. Sri Lanka's adherence to this ideology masks the reality of uneven development and the deepening structural contradictions that threaten to derail its economy. Just as migrant returnees sometimes flaunt wealth they do not have, so too does Sri Lanka posture a development that is not really there. The larger structural contradictions arising from this model of remittance-led development are discussed in the following chapter.
Chapter Eight

Remittance Economy: The Unequal 'Wins' of Temporary Labour Migration

Overview

The previous chapter analysed the macroeconomic characteristics of remittance capital, both as aggregate household consumption and net foreign exchange earnings, to demonstrate its inherent tendency to aggravate uneven development in Sri Lanka. The structural contradictions of temporary labour migration, and the institutional apparatus that sustain them, are reinforced by workers’ remittances that provide superficial relief to the poor while facilitating demand spillovers and developmental spending that primarily benefits a narrow segment of the urban economy. This finding not only belies one of the central claims of those advocating migration-development, that “the bulk of the economic gains from migration accrue to migrants and their families” (World Bank 2006, xii), but stresses the importance of assessing the relative distribution of the gains heralded by the 'triple win' rhetoric of policymakers. Disproportionate returns to local capital relative to migrants themselves, manifest in uneven development, is a crucial part of this story. So too, however, are the disproportionate returns to developed and developing regions on a global scale. Broadening the scope of analysis beyond the local economy suggests that Sri Lanka is enmeshed in a more profound pattern of underdevelopment relative to centres of accumulation within receiving economies and across the globe. This chapter therefore turns attention to the global dimension of underdevelopment and the role temporary labour migration plays in anchoring Sri Lanka to the periphery of the world economy.

'Underdevelopment' is a relational concept. A comprehensive assessment of migration-development outcomes, then, cannot limit its attention to local development alone, but must situate the entire dynamic within the encompassing structures of capital accumulation that shape the world economy. In doing so, this chapter rejects the notion of a mutually beneficial 'triple win' scenario by drawing attention to the unequal gains arising from the formalisation of temporary labour migration as a prominent feature of a re-globalising world economy.
The chapter is organised in three sections. It first contrasts the immediate economic benefits for migrant-sending and migrant-receiving economies by juxtaposing the impact of remittance capital in Sri Lanka with destination countries' access to a reserve army of migrant labour. Second, it extends this analysis by considering how the more indirect consequences of Sri Lanka's widespread migration – including the unequal costs of migration, reconfiguration of the care economy, foreign employment spillovers, import spillovers and demand volatility – constrains capital accumulation within the economy while encouraging it elsewhere. Finally, it identifies Sri Lanka as archetypal of a 'remittance economy', where an overdependence on foreign employment has underscored limited capital accumulation and poverty alleviation in lieu of development itself. Ultimately this has been to the disadvantage of the country as a whole, given the relatively much greater returns to foreign economies and the sheer precarity of depending on remittances that are directly tied to demand for foreign employment in West Asia.

Returning to multiscalar migration theory, the chapter concludes by detailing how Sri Lanka's 'remittance economy' has been conditioned by intersecting and cumulatively causal processes occurring at various scales of analysis. Together, these processes subvert the notion of a structure-agency binary and instead demonstrate how global demand for in situ labour coalesces with the contextually-specific structures, institutions and practices that comprise Sri Lanka's economic landscape.

Unequal Outcomes

The concept of a 'triple win' outcome from temporary labour migration has been far-reaching and remarkably resilient in the face of sustained empirical uncertainty, though increasingly embedded in the policy framework of circular migration programs. In 2006, the World Bank declared that “International migration can generate substantial welfare gains for migrants, their countries of origin, and the countries to which they migrate” (2006, 25). In 2010, the European Migration Network (EMN) reiterated this belief in the context of increasing policy attention to managed migration, stating that “Circular and temporary migration is reflecting globalisation, demographic change, new patterns of mobility and the growing demand for flexible labour markets. It also reflects a preference of many of the migrants themselves... it is viewed as a means to serve the labour market needs of countries of destination, promote development in countries of origin and benefit migrants themselves” (EMN 2010, 3). In 2016, a report by the United Nations Economic
Commission for Europe (UNECE) offered another paraphrasing, reiterating that:

“Circular migration is often seen as a win-win-win proposition, providing gains to countries of both origin and destination, as well as to the migrants themselves. In countries of destination, it can alleviate labour needs and increase economic production. In countries of origin, it can provide unemployment relief and both financial and human capital (in terms of skills and resources brought back to the country), as well as mitigate population loss due to emigration. Individual migrants also benefit via increased income, greater work experience, and the development of their human capital.” (UNECE 2016, 1)

Although the policy framework of circular migration is largely a product of Europe's efforts to attain “labour without people” (Wickramasekara 2011), the stringent enforcement of short-term employment that is central to the model has long been the norm in West Asia. As such, the corridor of temporary labour migration that exists between Sri Lanka and West Asia conforms to the idealised conditions under which the 'triple win' is envisioned, that is, with the categorical inability for migrant workers to emigrate permanently. Sri Lankan labour migration to West Asia is therefore a suitable example through which to pit the expectations of a mutually beneficial 'triple win' against actual economic outcomes, emphasising the relative distribution of the costs and benefits to sending and receiving economies. The following section focuses on the immediate benefits produced by this corridor of temporary labour migration, while subsequent analysis draws attention to the indirect economic costs and consequences of sustaining these flows.

**Relative 'Wins'

Adherents of the 'triple win' outcome generally proclaim: i) that migrants gain from better income and skill acquisition; ii) that sending economies gain from remittance inflows, unemployment fixes and a return on human capital ('brain circulation'); and iii) that receiving economies gain by addressing their labour market 'needs'. These expectations are counterposed against the experiences of Sri Lankan migrants, the Sri Lankan economy and the receiving economies of West Asia.
The Win for Migrants

Previous chapters have shown that empirical evidence, both from this study and others, contradicts the unilateral assumption that migrants benefit from earning foreign incomes. Even for the most successful migrants, remittances rarely translate into sustainable economic improvements for migrant families and more typically foster a reliance on foreign employment (by repeat or flow-on migration) to ensure economic subsistence. For those most disadvantaged prior to migration, the pursuit of foreign incomes often results in net indebtedness, due to the challenges of financing recruitment fees without existing assets and susceptibility to exploitation by local merchants of labour.

These outcomes reflect two important considerations belying the 'triple win' narrative. Firstly, a lack of sustainable employment upon return reflects the reality that low-skilled workers, who comprise the vast bulk of temporary labour migrants, do not acquire skills that have a meaningful application upon reintegration. For female domestic workers, foreign employment represents a marketisation of devalued and stigmatised reproductive work that has no social or economic footing within Sri Lanka, while low-skilled male labourers migrate precisely because there are insufficient local employment opportunities for the skills they possess. Moreover, given the extent of income differentials, skilled workers without decent work are often 'de-skilled' by migrating to take up low-skilled positions abroad (Skeldon 1992, 38). As de Silva, Lakshman and Ranasinghe observe in Sri Lanka’s case, “The tendency for underemployment overseas of skills obviously lies in the income differential between home and host country for jobs requiring similar skills. This creates an incentive for migrants to seek work even at skill levels below what they possess” (1993, 16). Secondly, with migrants themselves in large part shouldering the costs involved in facilitating their job placement, income gains are limited by corresponding recruitment fees and associated indebtedness. Even ardent advocates of temporary labour migration concede the negligible return on income for the poorest of migrant households, for whom migration-related loans can be crippling. Ratha’s (2007) analysis of the short-term impact of remittances suggests that there is negligible income improvement for Sri Lankan households within the poorest three income deciles, indicating that whatever benefits arise from migration are contingent upon meeting a certain threshold of pre-existing means.
The plight of migrant returnees and their families has been explored extensively in previous chapters and discussion of this theme is here truncated in order to minimise repetition and shift attention to the relational aspect of macroeconomic gains accruing to Sri Lanka and the receiving economies of West Asia.

The Win for Sending Economies

As with outcomes for migrants themselves, remittance-specific gains to the Sri Lankan economy have been thoroughly discussed in the previous chapter. Remittances are a mixed blessing at best, indirectly facilitating capital accumulation and development spending, but under intrinsic constraints that undermine export production and buttress Sri Lanka's existing path dependency on uneven development. Factoring in non-productive and import-stimulating remittance use, the overall impact of remittances is modest and overwhelmingly aligned with the short-term interests of local businesses operating within the urban economy, manifest in the expansion of the non-tradeable sector concentrated in a rapidly transforming Colombo and the exploitation of those marginalised by such non-inclusive development projects.

What, then, of the supposed 'wins' from unemployment relief and 'brain circulation'?

The argument that temporary labour migration provides unemployment relief is corroborated by Sri Lanka's historical and continued use of foreign employment as a 'safety valve' for unemployment and attendant political and economic pressures. While reliable employment statistics only go back as far as 1991, it is clear that unemployment rates have declined in tandem with increasing foreign employment as a percentage of the labour force, illustrated below in Figure 8.1, lending weight to the general consensus that labour migration is the primary explanation for this trend (IPS 2013a, 144). More contentious is the construal of unemployment relief as beneficial to Sri Lanka's economy, as foreign employment effectively defers accountability for job creation. While unemployment rates have steadily fallen from 14.6 to 4.5 percent between 1991 and 2014, levels of employment have remained distinctively flat, increasing from 48.6 to 52.4 percent over the same period (World Bank 2016). Meanwhile, labour force participation rates remain low at 53.8 percent (CBSL 2016) and underemployment appears extensive,
though inconsistently measured. That such minimal job creation has occurred in an economy characterised by growth in services alongside the preservation of a large agricultural sector is symptomatic of ‘migration instead of development’, where labour migration substitutes for the employment and foreign exchange earnings typically achieved through export production. However, prolonged reliance on migration as a developmental stand-in can precariously reorient the economy. In addition to weakening export competitiveness through a remittance-strengthened currency, overdependence on migration rewards a neglect of domestic unemployment and underemployment pressures with further remittances, irrevocably turning Sri Lanka’s development strategy away from the model of scalable industrial mass employment that has driven economic development elsewhere in Asia.

Figure 8.1 – Sri Lankan Unemployment vs Foreign Employment

Concerns about the relationship between unemployment, migration and economic development are shared by the IPS, who see the challenge of retaining skilled workers as

---

34 CBSL data from 2004 records an underemployment rate of 25 percent, yet the next available datapoint in the 2014 annual labour force survey reports a rate of just 2.7 percent.
an interrelated problem:

“Despite a persistent decline in Sri Lanka’s rate of unemployment, questions remain of the productive nature of jobs that are being created in the current economic climate. Indeed, even as the numbers of Sri Lankan migrants seeking employment overseas is on the rise, a growing share of such migrants are skilled workers, indicative of less-than-favourable domestic labour market conditions for such workers” (IPS 2013a, 18-19)

Although the SLBFE does not categorically record the education levels of departing migrant workers, occupational data from 2013 reveals that 82 percent of foreign employment positions were accounted for by domestic work (33 percent), low-skilled (26.3 percent) or ‘unskilled’ (24.1 percent) (SLBFE 2014). Professional employment accounted for just 1.8 percent of foreign positions, while ill-defined ‘middle level’ and ‘clerical’ positions account for the remaining 14.8 percent of migrant departures (SLBFE 2014). Comparatively, low-skilled and ‘elementary’ workers (i.e. excluding professional, high-skilled and service workers) accounted for 59.2 percent of domestic employment for the same year (DCS 2013). While most foreign positions may reflect the employment of Sri Lankan migrants at their existing skill-levels, or the employment of migrants who would otherwise be economically inactive in Sri Lanka, some migrants are nevertheless working below their ability. With low-skilled foreign employment offering higher incomes than skilled domestic employment, it is easy to appreciate why this ‘deskilling’ might occur.

This observation confronts the anticipated benefit of a ‘brain circulation’ for migrant-sending countries, and alludes to the practical realities of temporary labour migration and labour supply issues in an underdeveloped economy. In the first instance, low-skill temporary labour migration involves employment in conditions that are not conducive to skill development tantamount to an inwards ‘brain circulation’. Migrants are led into menial forms of foreign employment and without acquiring new skills abroad their labour remains underutilised by local production when they return, hence the prevalence of repeat migration. At the same time, an increasing macroeconomic dependence on migration has overseen policy efforts to encourage the temporary migration of high-skilled workers as a means of maximising remittance inflows, creating tension with the competing need to retain high-skilled labour for local production (IPS 2012, 10).
In offering a caveat to the anticipated 'brain circulation' for sending economies the World Bank notes:

"Some countries find it difficult to provide productive employment for many high-skilled workers because of their small economic scale or because misguided educational policies have resulted in a large supply of university graduates for whom no suitable jobs exist" (World Bank 2006, xiv)

In the context of migration-development this amounts to disingenuous reasoning. Naturally, a lack of productive capacity will hinder the ability to retain skilled labour, but this is a fundamental condition of underdevelopment that has arisen from historical structures of global capitalist relations and, expressly, colonialism. It is also a product of pedagogical mimicry within tertiary education throughout the Global South, where universities often share institutional lineage with their Global North counterparts and thus structure qualifications in accordance to mismatching labour needs (Potts 1990). Given that most migrant-sending countries reflect these circumstances, there is little point in hypothesising potential 'brain circulation' when skilled temporary labour migration takes place precisely because there is greater demand for skilled labour in relatively developed economies where the bulk of capital accumulation takes place. Similarly, in regards to low-skill migration, the World Bank unhelpfully states that “low-skilled emigration can offer a valuable safety valve for insufficient employment at home. In the long run, however, developing country policies should aim to generate adequate employment and rapid growth, rather than relying on migration as an alternative to development opportunities” (World Bank 2006, xiv). While migrant-sending countries' need for local development is obvious, the convenient oversight is that remittance-dependency is cumulatively causative and intrinsically undermines both the ability and inclination to create employment opportunities for low-skilled or skilled labour.

The Win for Receiving Economies

Unlike the ostensible gains to be had by migrants and sending economies, the 'win' for receiving economies is more readily apparent. While the economic impact of remittances is largely indirect and constrained by myriad endogenous factors affecting household spending and developmental policies, the employment of migrant workers in migrant-
receiving countries directly facilitates capital accumulation by provisioning a ‘flexible’ (i.e. cheap and exploitable) reserve army of labour and care.

The World Bank is less reserved in discussing the benefits that temporary labour migration produces for receiving economies:

“Destination countries can enjoy significant economic gains from migration. The increased availability of labor boosts returns to capital and reduces the cost of production. A model based simulation performed for this study indicates that a rise in migration from developing countries sufficient to raise the labor force of high-income countries by 3 percent could boost incomes of natives in high-income countries by 0.4 percent. In addition, high-income countries may benefit from increased labor-market flexibility, an increased labor force due to lower prices for services such as child care, and perhaps economies of scale and increased diversity” (World Bank 2006, xii)

For the receiving economies of West Asia, whose own development has been anomalously independent of industrialisation due to the concentration of vast oil reserves amongst small populations, the ability to draw upon a reserve army of migrant labour has been an in situ solution to domestic labour shortages. In 1975, immediately prior to when migration from Sri Lanka began, World Bank estimates suggest there were 2.1 million migrant workers in Gulf Cooperation Council (GCC) countries together accounting for 20 percent of the population. By 2010, the same measure indicates there were 15 million workers accounting for 33 percent of the population. Figure 8.2 demonstrates the fluctuating stock of migrant workers throughout the GCC countries, both in overall numbers and as a percentage of the combined population of those countries.

More than simply redressing labour shortages, however, the GCC countries have systematically exploited migrant workers as cheap labour inputs to sustain development and catalyse economic diversification beyond oil production. As a region whose rapid amassing of wealth preceded the hallmarks of human and infrastructural development, West Asia has depended on migrant labour to build and service the rapidly changing contours of its oil economies. Migrant workers constitute the majority of the labour force in every GCC economy; the concentration of migrant labour varies between countries, but
accounts for as much as 95 percent of all workers in Qatar and the UAE (Fanack Chronicle 2016). Figure 8.3 visualises migrant workers as a percentage of the populations and workforces of GCC countries, demonstrating the acute concentration of migrant labour in smaller countries (Kuwait, the UAE and Qatar) and throughout private sector employment in general.

**Figure 8.2 – Migrant Workers in GCC Countries 1975-2010**

![Figure 8.2 - Migrant Workers in GCC Countries 1975-2010](image)

Legend
- Red: Migrant Stock
- Green: Percentage

Caption

**Figure 8.3 – National vs Non-nationals in the GCC (Fanack Chronicle 2016)**

![Figure 8.3 - National vs Non-nationals in the GCC](image)
These workers are employed to construct physical infrastructure, undertake professional and domestic care work, and to provide low-cost labour to facilitate capital accumulation in an expanding non-tradeable sector that has become the largest engine of regional growth outside of oil exports (IMF 2013). By exercising a form of employer sovereignty derived from an ability to offer improved incomes, GCC countries have drawn on a segmented reserve army of migrant labour to target select aspects of their own development. Low-skilled male labourers from a number of underdeveloped regions abstractly compete to provide cheap manual labour to complete infrastructural, commercial and residential construction projects; a glut of service workers without decent local employment similarly compete to work in non-tradeable sectors that diversify GCC economies; and – even more pronouncedly – domestic workers of various backgrounds are fetishised within an informal racial hierarchy that accords prestige to care workers from relatively more developed or established migrant-sending countries (Castles and Miller 2007, 35; Haskins and Lowrie 2015, 149).

In performing the dirty, dangerous and degrading work that affluent locals demand, but are unwilling to do themselves, temporary migrants adhere to Cohen’s (1987) depiction of migrant workers as 'the new helots': an underclass of quasi-free workers displaced by underdevelopment in the migrant-sending countries of the regional periphery and drawn into processes of core accumulation within receiving economies. However, unlike helots themselves – a homogenous body of subjugated workers – the very diversity of this reserve army of migrant labour is fundamental to its exploitation, as states are able to play one underdeveloped labour supply against another in order to reduce labour costs. In the case of the GCC countries, the 'win' from having access to this reserve army of migrant labour has been nothing short of instrumental in underpinning the entire development of these economies.

**Mutual Benefits?**

Comparing the outcomes of migrants, the countries they come from and the countries they work in reveals significant discrepancies in the relative distribution of anticipated 'wins' arising from temporary labour migration. Migrants themselves are unsurprisingly the least assured of benefit, having to shoulder the burden of recruitment costs, endure menial foreign employment under precarious circumstances, and face a lack of suitable
employment upon return. While most receive improved incomes, this outcome is tempered by the situational differences of place and existing socio-economic standing, and typically entails repeat migration that disrupts family life (as discussed in Chapters Five and Six). The development of skills, meanwhile, is categorically limited by the nature of employment in West Asia. As a migrant-sending country, Sri Lanka too reaps highly contingent benefits. Remittance capital is itself fraught with developmental contradictions, but these limitations are compounded by migration’s tendency to reduce the impetus for local employment creation as foreign employment becomes an end in itself. The initial 'unemployment relief' of migration soon becomes entrenched as a structural barrier to industrialisation and, conversely to the expectations of 'brain circulation', the retention of skilled workers more readily utilised as remittance earners. Meanwhile, the receiving economies of West Asia make unequivocal gains by exploiting a diverse reserve army of migrant labour to build, service and grow their own rapidly developed economies. While the GCC countries still face the challenge of creating jobs for local workers and further diversifying the economy, the absence of temporary labour migration would have made their present levels of development unobtainable.

The uneven returns of temporary labour migration between Sri Lanka and West Asia undermines the notion of a 'triple win' outcome by all but the coarsest of absolute measures. In relative terms, there is a clear stratification of beneficiaries, beginning with foreign capital and ending with migrant labour. Put abstractly, the developed gain more than the developing, increasing relative disparities between the two. Nevertheless, temporary labour migration continues to receive support from migrant-sending and migrant-receiving countries alike. Certainly for Sri Lanka, the promotion of foreign employment endures as a key developmental strategy. Although this would appear to infer a mutually-beneficial arrangement between sending and receiving economies, the ostensible overlap in interests might more realistically be understood as the resonating preferences of influential factions of local and foreign capital. Amidst Sri Lanka’s path dependency upon migration are the vested (and politically potent) short-term interests of those who directly benefit from the arrangement: the merchants of labour, urban service sector businesses and – insofar as the alleviation of developmental pressures and the financing of vanity projects are concerned – the political elite itself. However, if temporary labour migration and remittance inflows were to persistently decline, the exchange rate and levels of local demand would fall in kind, harming those same factions of capital more
rapidly than factor mobility permits profitable reinvestment in emerging industries. By continuing to adopt policies that promote migration and the accompanying regime of accumulation by subordination, Sri Lanka is safeguarding the short-term interests of particular actors at the cost of inclusive development. Ironically, the long-term interests of capital *in general* are equally compromised by this pursuit, as a lack of inclusive development will ultimately undermine the growth of local wages and demand to the detriment of the entire economy.

The following section turns to the indirect implications of temporary labour migration to further evidence the developmental disparities it produces.

**The Indirect Implications of Temporary Labour Migration**

The short-term consequences of temporary labour migration tend to be framed in terms of simple economic metrics: gross income for migrants, aggregate remittances for sending economies and labour supply for receiving economies. This analysis is supplemented by attention to 'human capital' formation, although – as the previous section has argued – in a manner that is unhelpfully abstracted from the economic reality of migrant-sending countries like Sri Lanka. However, beyond the narrowly defined gains proclaimed by the 'triple win' doctrine, there are various indirect implications of temporary labour migration that have, by and large, been neglected by mainstream analysis. These secondary implications demand greater attention, as they stand to intensify the underdevelopment of migrant-sending countries relative to more developed regions of the world economy. The following section discusses five prominent outcomes with reference to Sri Lanka’s relationship with temporary labour migration: the unequal costs of migration, reconfiguration of the care economy, foreign employment spillovers, import spillovers and demand volatility.

*Unequal Costs of Migration*

The relative costs of migration incurred by sending and receiving economies is an important consideration that is often overlooked when assessing the economic outcomes of foreign employment.
In light of the obvious disparity of means between foreign employers and migrant workers, international conventions have called for employers to bear the entirety of recruitment costs (Martin 2012). These efforts have been met with little success. The direct costs associated with facilitating labour migration pays dividend to the merchants of labour in both migrant-sending and migrant-receiving countries. In this regard, it mostly represents an internal redistribution of wealth to capital in both economies. Individual or corporate employers pay for the services of recruitment companies in West Asia, while associated agents and sub-agents in Sri Lanka charge substantial recruitment fees to prospective migrants. Sri Lankan agents additionally receive commission from foreign recruiters, though predominantly for domestic worker job orders, as domestic workers are in increasingly high demand due to restrictions placed on women's migration by other migrant-sending countries (ILO 2016). The direct costs of arranging foreign employment thus entails a small net transfer from receiving to migrant-sending countries, although the potential benefit of this is overshadowed by the inflated cut taken by Sri Lankan 'middle men' who exploit the abundance of prospective male migrants by forwarding their business liabilities as recruitment fees. As argued in Chapter Five, this is a manifestation of accumulation by subordination arising from (and reinforcing) uneven development.

However, beyond recruitment costs, foreign employment represents a significant indirect expense for the migrant-sending country, expressed as the sum of public investment in the education and welfare of labour-power to be employed abroad (Delgado Wise 2009, 778). These outlays may be targeted investments in migrant labour, as with the costs associated with Sri Lanka’s cursory pre-departure training for migrant domestic workers, but primarily reflect the more general social cost associated with the upbringing of any working-age citizen: the provision of public healthcare, basic schooling and food or income benefits. Abstractly, Sri Lanka subsidises the cost of production in West Asia, not only by 'lending' cheaper labour but by relieving receiving economies of the long-term expenses involved in reproducing labour-power. It is difficult to gauge the extent of these expenses, as they reflect a fluctuating portion of overall public investment across time, but it suffices to assume that with an active migrant population equivalent to approximately 25 percent of the total workforce as of the most recent statistics from 2011 (SLBFE 2012) it is not a trivial outlay. This effect is furthered by GCC countries' obstinate refusal to grant social and welfare rights to migrant workers, ensuring that they exist independently of state
investment and must reproduce their labour-power autonomously. In instances where this is not possible – through injury, sickness or loss of employment – migrant workers must return to Sri Lanka. Yet, with the modus operandi of Sri Lanka’s own neoliberal governance being to minimise public expenditure on reproducing labour-power, the onus of welfare has increasingly shifted under the ethos of ‘self-help development’ to become the private burden of migrants themselves. Nonetheless, even the limited amount of public investment in the reproduction of migrant labour-power represents an expense footed by Sri Lanka and not the migrant-receiving countries that actually employ and profit from the workers in question. This lopsided burden might be more understandable if migration truly were temporary, and migrant labour-power predominantly employed in Sri Lanka, possibly with newly acquired skills from working abroad. However, with skill-stagnant migrant returnees frequently disengaging from the workforce or pursuing repeat migration, this is not the dominant reality of temporary labour migration in Sri Lanka.

*Reconfiguration of the Care Economy*

Closely associated with the hidden expenses of reproducing labour-power are temporary labour migration’s profound implications for Sri Lanka’s informal care economy that, although invisible to mainstream economic analysis, is explicitly interwoven with productive life.

Sri Lanka’s declining commitment to public expenditure in the reproduction of labour-power has been possible, in part, to patriarchal gender norms that ascribe the burden of reproductive labour almost exclusively to women, whether in paid employment or not (Withers 2016). Limited public health provisioning, along with an absence of institutional support for child and elderly care, is made possible on account of the social expectation that women are duty-bound to informal care provision (Withers 2016). For women participating in paid employment in Sri Lanka this often produces the ‘double burden’ of being both breadwinner and housekeeper, as gendered labour market institutions exploit, rather than acknowledge or compensate for, encumberances in the productive economy (Elson 1999). There is, for example, no evidence that women’s participation in paid employment produces a decline in unpaid care work. A study of time use between married couples in Colombo found that when women entered paid employment their average working day lengthened to 16 hours, while the length of the average man’s working day
was largely unaffected (Satharasinghe 1999). The typically young and unmarried women who work in Sri Lanka's garment factories may serve as an exception to this double burden, but only insofar as their employment – itself a commodification of erstwhile care work – entails internal migration that spatially disrupts their ability to perform care work. Once married or returned home, these workers too are embedded in an informal care regime that allots women a disproportionate share of the productive and reproductive labour that household survival often depends upon.

The widespread participation of Sri Lankan women in domestic work has placed further strain upon this care regime. The commodification of reproductive work as a labour export has created a care deficit throughout Sri Lanka that, owing to the exceptionally gendered division of reproductive labour, is not readily filled by husbands or male relatives. Instead, the care vacuum is most often filled by female relatives and neighbours. A recent study into the familial composition of primary caregivers in the absence of migrant mothers suggests that grandmothers assume primary care duties in 34 percent of cases, followed by aunts in 26 percent of cases, fathers in 23 percent of cases and elder children 11 percent of cases (Cooray 2015, 66). An earlier study also found that communal ties can play a prominent role, with children left behind often cared for by female neighbours (Kottegoda 2004, 124). On the basis of these findings, the care deficit of migrant domestic workers will likely contribute to the 'double burden' of other working women, create intergenerational pressures that turn typical care-receivers (children and the elderly) into care-givers, or – where men do commit to performing reproductive labour – substitute for productive labour35. Given that temporary labour migration from Sri Lanka has historically been highly feminised, this presents a major disruption to the normal functioning of the care economy and the pressure placed on it to reproduce labour-power with minimal support from the state.

While the migration of domestic workers places strain on Sri Lanka's care economy, it simultaneously relieves the burden of reproductive labour from women in the receiving economies of West Asia. Although female labour force participation rates for most GCC countries remains lower than the global average, individual country rates have all steadily

---

35 Parrenas (2005) finds that Sri Lankan men left behind struggle to perform productive and reproductive roles at once, whereas women left behind frequently adopt this 'double burden'.
increased since reliable data became available in 1990 (World Bank 2016), suggesting that women are increasingly pursuing employment (predominantly in the public sector). A majority of households in GCC countries employ at least one domestic worker, who generally performs upwards of 80 percent of the care work for the family (Forstenlechner and Rutledge 2011, 18). This care relief allows foreign women to commit more time to productive activity, skill acquisition or what Veblen terms ‘the conspicuous consumption of leisure’. Just as the productive labour of migrant workers subsidises the cost of production in receiving economies, so too do domestic workers subsidise the reproductive capacity required to produce workers, skills and status. Ironically it is often the flip-side of status, the stigma associated with performing socially degraded work that compels Sri Lankan domestic workers to migrate internationally and relieve foreign care regimes in preference to migrating internally in response to demand for care amongst wealthy Colombo households. This contrasts with the experiences of temporary labour migrants from the Philippines, for example, where the prevalence of poorly paid local domestic work is such that migrant domestic workers can themselves hire reproductive labour to take their stead (Lindio-McGovern 2016). It is difficult to discern which substitute for reproductive labour is more detrimental, Sri Lanka’s reliance on informal familial care or the Philippines’ exploitation of subordinated private care, but it is clear that both systems create local care deficits while generating a care surplus for foreign economies.

Foreign Employment Spillovers

Another indirect implication to consider is the extent of migrant incomes that remain within, and thus stimulate demand for, the receiving economy. Chapter Seven examined this issue from the perspective of remittance transfers, where fieldwork findings were triangulated with other studies to suggest that Sri Lankan migrants remit approximately 80 percent of their income, with male workers remitting less than women domestic workers on account of additional living costs associated with the conditions of their employment. From the perspective of migrant-sending countries, the portion of migrant income that is not remitted constitutes a ‘leakage’ that diminishes the magnitude of aggregate remittance inflows. From the perspective of migrant-receiving countries of the GCC, the basic needs of migrant workers – access to food, shelter, hygiene and socialisation – often become a means through which wages are suppressed or re-appropriated as demand spillovers.
An explicit example of wage suppression is the malpractice of charging migrant construction workers a mandatory income deduction for food and/or accommodation that is provided as a condition of employment (ILO 2013a). This tactic invariably involves the deception of migrant labourers, who are routinely assured by recruitment agents that the salaries they agree to are inclusive of these living costs, only to discover fees are charged for poor food and overcrowded accommodation once their visa status is tied to the employer. These employers, by passing their own costs onto workers, are essentially undercutting already low wages for male migrant workers to extract greater surplus value from their labour; vulnerable migrants are jostled into losing income to forcible 'spillovers' that suppress wages and directly facilitate increased capital accumulation. Yet foreign capital benefits from less orchestrated spillovers too, as the everyday personal expenses of migrants contribute to demand for local goods and services. Such expenses are typically modest: fieldwork findings indicated that domestic workers would generally spend money on phonecalls, letters and personal hygiene items, whereas male workers were likely to spend additional money on food and socialising. Nonetheless, these incidental purchases together amount to at least 10 percent of migrant incomes (i.e. excluding employer deductions, as per domestic worker spending) that then become demand spillovers for the receiving economy. Given the heavy concentration of migrant workers throughout the GCC countries, these incidental expenditures represent a considerable recirculation of wage payments as general consumption throughout those economies.

Import Spillovers

As with foreign employment spillovers, the issue of import consumption was introduced in the Chapter Seven, but only discussed insofar as demand for foreign goods represents another form of remittance leakage. However, the extent to which remittance usage creates effective demand that remains within, or alternately redirects outside of, the sending economy is one of the most neglected macroeconomic side-effect of remittances. In lieu of empirical support for the direct investment of remittances, migration-development adherents often contend that the consumption of remittances has a positive impact on productive investment in the migrant-sending country by generating increased demand for local goods (Mallick 2010, 38-39). While overall levels of consumption may increase, the assumption is muddied by the potential for remittance usage to increase
demand for imported foreign goods. Remittance-driven spillovers for local production must therefore be contextualised alongside other spillovers for foreign production, not only with regard to the relative volume of demand created but also in relation to compositional differences between local and foreign industries that stand to benefit.

In Sri Lanka's case, 'development' emerged from the uneven spread of capitalist relations under colonialism and took shape through various permutations of accumulation by subordination in low value-added, demand inelastic production (discussed in Chapter Two). Current production echoes this circumscripive strategy of accumulation and retains its limitations, being largely split between a plantation economy mired by declining terms of trade and an increasingly hollowed out garment industry dependent on subordinated female labour. It is this non-inclusive pattern of development that has conditioned the degradation of work and deprivation of status that engenders forced migration and its macruneconomic corollary of remittance inflows. Yet, having delimited most local production to niches of subordination, Sri Lanka lacks the industrial capacity to capture the portion of household remittance expenditure that is directed towards vehicles, consumer durables and other manufactured wares. Remittances spent on these manufactures, often imbued with heightened socio-cultural importance as status-affirming goods, become import spillovers that boost effective demand for production elsewhere in the world economy. 'Elsewhere', following pronounced geographic shifts to the core of global production during the 1970s, refers not only to Europe and North America but also the more recently industrialised economies of East Asia.

Using protectionist trade measures and state-driven industrial policy to guide export-oriented industrialisation, the likes of Japan, South Korea, Taiwan, Hong Kong and Singapore have achieved rapid and reasonably inclusive economic development (Chang 2006). Meanwhile 'market communism' has overseen pronounced export-driven growth in China and, to a lesser extent, Vietnam. These emerging economies, along with traditional regions of core production throughout the Global North, benefit from the effective demand created by remittance consumption in underdeveloped economies such as Sri Lanka. For economies that employ migrant workers as labour-power within export industries – such as Malaysia and South Korea – remittances spent on imports may even recirculate within a self-sustained effective demand loop between underdeveloped and developing regions. However, in general terms it is not particularly important whether import spillovers direct
towards receiving economies or not (as is patently not the case in the oil-economies of West Asia); conceptualising the ‘wins’ of temporary labour migration as restricted to a tripartite relationship between migrants and their countries of work and residence is itself a narrow abstraction of economic reality. Greater significance lies in recognising: i) that forced migration results from underdevelopment; ii) that underdevelopment is accompanied by a lack of industrial production; iii) that the macroeconomic impact of remittance capital stymies industrialisation; and iv) that in the absence of industrialisation, remittance consumption will create import spillovers for developed and developing economies that are industrialised. The increased effective demand created by remittances may indeed produce some spillovers for basic local production and services, but it may also widen the developmental gap by increasing demand for the value-added, demand elastic manufactures of industrial economies of scale.

**Demand Volatility**

The final indirect implication of temporary labour migration that demands greater attention is the issue of demand volatility for migrant labour, arising from potential political and economic crises within receiving economies. Remittances are often praised for typically being counter-cyclical – although studies have shown remittance flows to be loosely pro-cyclical in Sri Lanka (Gunatilleke, Colombage, and Perera 2010, 34) – in that migrants tend to retain employment better than local workers during downturns and remit more in response to economic adversity at home (Ratha 2007). Comparatively little attention has been paid to the potential for major disturbances in receiving economies to effect reduced demand for migrant labour and so disrupt remittance flows. The issue has been raised in the Sri Lankan literature previously as, along with other sending economies of South Asia, demand for temporary migrant labour overwhelmingly originates from the oil-rich GCC countries of West Asia. Migrant remittances are therefore principally tied to the strength of a single commodity and the regimes it sustains. This ‘pegging’ was a concern to Sri Lankan economists observing a decline in demand for migrant labour as global demand for oil, having driven up prices during the oil shocks of the 1970s, petered out amidst the ‘oil glut’ of the 1980s (Rodrigo and Jayatissa 1989; Athukorala 1993; De Silva, Lakshman, and Ranasinghe 1993). Ultimately, falling demand for migrant workers did not last, as oil prices stabilised throughout the 1990s and began increasing sharply after the turn of the millennium (SLBFE 2012). Sri Lanka was further insulated by the
predominance of migrant domestic workers, whose jobs in private households were not susceptible to the same vicissitudes affecting construction work (Rodrigo and Jayatissa 1989). Nonetheless, the flow of all migrants – including domestic workers – can also be affected by restrictions imposed on foreign employment by migrant-sending countries in response to volatile conflicts or abusive employment, such as Sri Lanka’s repatriation of workers during the Kuwait War (Perera 1992) and a number of bans to domestic worker migration issued at various times by a number of South Asian countries (Eelens, Mook, and Schampers 1992).

While demand volatility has not yet been seriously disruptive of remittance flows, previous downturns were enough to provoke concern about the sustainability of Sri Lanka’s dependence on a fairly homogenous pattern of mass migration tied to the health of West Asia’s oil-economies. Addressing this concern, de Silva, Lakshman and Ranasinghe advise that Sri Lanka diversify its migration flows: “In assessing sustainability of migration and remittance inflows, we need to consider skill composition and migrant destinations since these determine Sri Lanka’s ability to make use of increased labour demand, and the wages migrant workers are able to earn abroad” (1993, 14). Yet the skill composition of Sri Lanka’s temporary labour migrants remains virtually unchanged since the time these concerns were aired. In 1994 41 percent of male workers were classified as ‘unskilled’, a further 43 percent were classified as skilled, and 82 percent of female migrants were classified as ‘housemaids’; in 2011 these same figures stood at 39 percent, 45 percent and 85 percent respectively (SLBFE 2012).

Furthermore, and despite limited efforts to bilaterally promote skilled migration to countries such as South Korea, there has been very little change to the countries receiving Sri Lankan workers – labour migration to West Asia still accounts for 93 percent of all foreign employment (SLBFE 2012) with Saudi Arabia, the UAE, Qatar and Kuwait making up 86 percent of placements (SLBFE 2014). However, in that same period of time, remittances have increased from US$715 million to a little over US$7 billion (World Bank 2016), while also expanding as a percentage of export earnings from approximately 25 percent in 1994 to 66 percent in 2015 (CBSL 2016). Thus, while a lack of diversification has ensured that vulnerability to volatile demand remains, the magnitude of potential disruptions to remittance flows has greatly increased. Given the historical instability of oil prices, of which tumbling values throughout 2014 and 2015 are a reminder, the emergent
role of remittances as Sri Lanka's macroeconomic linchpin seems precariously poised lest recession, crisis or war takes root in GCC economies.

Migration-Underdevelopment?

Temporary labour migration, considered within the parochial scope of the benefits forecasted by 'triple win' prognoses and applied to Sri Lanka as an archetypal migrant-sending country, produces economic outcomes that are disproportionately advantageous for migrant-receiving countries. Considering the indirect implications of these movements of labour and income in the context of existing productive disparities throughout the world economy highlights further developmental hurdles borne from this arrangement. Infrastructural development, economic diversification and the provision of care in West Asia is derived from the strategic exploitation of different sub-groups of foreign workers. Together these workers comprise a diverse reserve army of migrant labour employed without the traditional costs of producing or maintaining a workforce, as migrant welfare remains the onus of the underdeveloped economies they left behind, which in turn often lack the resources or fiscal inclination to provide sufficient support for returnees or families left behind.

For Sri Lanka, whose uneven development has been shaped by a resilient colonial logic of accumulation by subordination, the 'loaning' of labour-power in exchange for remittance capital has proven easier and more lucrative than the break with path dependency that would be necessary to employ the same labour locally. More than simply reallocating labour to subsidise foreign production and services, however, migration has transformed the care economy by commodifying reproductive labour to subsidise foreign care regimes while creating a care deficit at home. Meanwhile, the inflow of migrant incomes is partially siphoned off as basic demand for receiving economies before being redistributed via household remittance consumption, the spillovers from which cannot be fully absorbed by Sri Lanka due to the same conditions of underdevelopment that encourage migration in the first place. While limited capital accumulation occurs in declining export industries and the non-tradeable sector, demand for imports contributes to the growth of developed industrial economies that are often removed from the flow of temporary labour migration altogether. With the ladder of industrial development receding from view, Sri Lanka is left to confront its vulnerable overdependence on remittances, as an entirely exogenous
source of developmental capital that is precariously tied to the continued good fortune of West Asia’s oil-economies.

At a superficial level, the outcomes of temporary labour migration for Sri Lanka adhere to the trope of satellite-metropole relations evoked by Frank: the inward flow of labour and resources siphoned from satellite regions of satellite economies, to metropole regions of satellite economies, to metropole regions of metropole economies, intensifying production-driven accumulation for the developed while trading the rest of the world into underdevelopment (Gunder Frank 1966). Rural underdevelopment has shaped forced migration from Sri Lanka, causing migrant labour to spur ongoing capital accumulation in receiving and industrial economies while their remitted incomes underpin a much more limited scope of capital accumulation concentrated in and around urban Colombo. Yet, as has previously been charged of the dependency explanation of underdevelopment (Brenner 1977; Petras 1981), an emphasis on rigid international structures obfuscates the role of capitalist social relations within underdeveloped economies. Moreover, the trade-driven bifurcation of development between satellite and metropole economies, elaborated by the Prebisch-Singer thesis, offers inadequate explanation of more recently emerged industrial economies in East Asia. In sum, Sri Lanka’s experience of migration-underdevelopment is better explained by a more complex interaction of structures, institutions and agents operating across multiple scales of analysis. The following section posits Sri Lanka as an archetypal ‘remittance economy’, drawing on the conceptual tools of multiscalar migration theory to account for this form of underdevelopment, itself something of an expanding genre throughout the Global South.

**Sri Lanka, Remittance Economy**

Sri Lanka typifies what can be termed a remittance economy, where an overdependence on foreign employment has underscored limited capital accumulation and poverty alleviation in lieu of development itself. The atomised expenditure of remittances at the household level reinforces existing macroeconomic imbalances – with non-subsistence expenditures generally spilling over into centralised processes of accumulation or foreign imports. At the same time, the artificial strengthening of the currency through remittance receipts undercuts competitive manufacturing and the potential to achieve sustainable and inclusive growth through export diversification.
From this perspective, it is not the short-term distribution of 'wins' between sending and receiving economies that is of particular importance, but the long-term developmental limitations of temporary labour migration for economies that are – relative to regions of intensive capital accumulation in value-added production and services – already underdeveloped. While remittance capital drives limited and uneven patterns of development (as discussed in Chapter Seven) Sri Lanka's path dependency on migration is fostering structural economic limitations that are ultimately to the detriment of capital and labour alike. Meanwhile, the emergence of remittance economies like Sri Lanka widens developmental disparities by displacing labour and demand to the benefit of developed economies. In this sense, the direct exploitation of migrant labour by the oil-economies of West Asia is only the most immediate facet of a more complex movement of labour and capital throughout the world economy. As Potts observes in her analysis of the world market for labour power, the economic gains of this migration corridor accrue, in large part, elsewhere:

“As a whole the process of labour migration to the oil-exporting countries is not, however, comparable with transfers of labour power to the capitalist metropole. In the latter, migrant workers are employed primarily in industrial production and are therefore direct producers, whilst in the oil-producing countries it is a question of spending foreign currency on construction projects and in the service sector, since industrial production does not exist. The employment of migrant workers neither lays the foundations for industrialisation nor for any other form of production. Instead, it stimulates industrial development in the metropole, since it is companies from the countries of the metropole that supply materials and know-how, as well as the management for the projects” (Potts 1990, 157)

Trade and production are essential features of the migration-underdevelopment story. Temporary labour migrants, and the economies they originate from, are embedded within a transnational division of labour that is as much defined by in situ demand for workers as it is the outsourcing of industrial production (Cohen 1987). Importantly, however, movements of capital (inflows of FDI) and movements of labour outflows of migrant workers) seldom overlap to any significant extent within the same developing economy. While some countries are locked into the 'race to the bottom' of industrial production, other countries have emerged as 'labour exporters'. These remittance economies tend to
share common characteristics of trade and production, typically involving the absence of industrialisation alongside declining terms of trade for low-value, inelastic exports. As Petras observes, “overseas migration deprives the nation of its most innovative, skillful and ambitious workers who provide the basis for creating a diversified economy based on industry and services... What remains is a client state dependent on agro-mineral exports, tourism and of course immigrant remittances” (Petras 2007, 49). Although referring to Mexico’s experience with temporary labour migration to the US, Petras’s description applies equally to Sri Lanka, as it does too for the Philippines, Nepal, Pakistan, the state of Kerala in India, Indonesia, and a number of Caribbean economies, all of which readily conform to the characteristics of remittance economies. It is similarly conspicuous that economies positioned as migration-development ‘success stories’, such as South Korea, Spain, Taiwan and Turkey (de Haas 2010, 256) have experienced smaller and qualitatively different migration outflows in tandem with state-driven industrialisation and inwards migration, representing an entirely different economic reality.

The remainder of this section reasserts Sri Lanka’s status as a remittance economy, drawing on multiscalar migration theory to situate the processes underpinning migration-underdevelopment at four separate levels of analysis, spanning global patterns of capital, countrywide patterns of development, local institutions and individual agency. While the conceptual tools employed at each level of analysis are derived from contextual sensitivity to Sri Lanka’s unique political economy, the overall framework of multiscalar migration theory offers an adaptable platform to overcome the structure-agency binary and holistically analyse the general condition of migration-underdevelopment among other remittance economies.

A Multiscalar Analysis of the Remittance Economy

Multiscalar migration theory, as outlined in Chapter One, embeds the relationship between migration and development within the uneven expansion of capitalist relations on global and local scales. In doing so, it identifies four mutually-interlinked levels of analysis that together bridge global patterns of capital accumulation and individual decision-making by emphasising local structures and institutions reflective of historically specific experiences of gender, ethnicity and class existing between the book ends of structure and agency. These four scales of analysis – global structures, local structures, local institutions and
individual agency – have each been explored through conceptual tools that relate to Sri Lanka's experience of migration-underdevelopment. Each is reviewed in turn, revealing a series of interconnected yet self-reinforcing processes that culminate in a powerful cumulative causation towards remittance dependency.

Global Structures – Remittance Capital

On a global scale of analysis, *remittance capital* – encompassing private income transfers and aggregate foreign exchange earnings – is an immediate expression of the global patterns of capital accumulation that structure temporary labour migration. On the one hand, wage differentials between sending and migrant-receiving countries (i.e. the income component) reflect a geographic concentration of capital and productive forces arising from the uneven spatial-temporal expansion of capitalist social relations throughout the world economy. West Asia fits into this picture indirectly, as a region whose own development has been ensured by wealth amassed through the supply of vital raw resources to regions of production and accumulation. On the other hand, the aggregate foreign exchange receipts from remittance inflows are a macroeconomic representation of these same global productive imbalances, where it appears more expedient for Sri Lanka to 'loan' labour to foreign capital than employ that labour within local production. While this provides short-term macroeconomic relief to Sri Lanka's trade quagmire, it also aggravates global developmental disparities by lowering foreign production costs and generating demand spillovers, both of which stimulate capital accumulation elsewhere in the world economy. Furthermore, an increasing dependence on remittance capital is exhibited both by households pursuing repeat and flow-on migration (Chapter Four) and by the Sri Lankan government's escalating remittance targets (IPS 2014).

Local Structures – Forced Migration

Sri Lanka's reliance on remittance capital is both produced by, and reinforcing of, countrywide patterns of uneven development manifest in *forced migration*. As discussed in Chapter Four, fieldwork findings indicated that migrants overwhelmingly saw the need for foreign employment as arising from a lack of decent local work, discussed in terms of remuneration but also social status. Various stakeholders interviewed in the course of research suggested that local domestic work and garment manufacturing are often
considered untenable on the basis of attached stigma, even if the wages offered are comparable to foreign incomes. The realities of underemployment and unemployment are symptomatic of Sri Lanka's recent economic history, shaped by dramatic neoliberal restructuring that has overseen the 'de-structuring' of labour by centralising productive activity in urban EPZs and undermining rural livelihoods. With widespread temporary labour migration commencing the same year, foreign employment has been dialectically entwined with the marginalisation of Sri Lanka's working poor, at once a safety valve for unemployment and a means of financially sustaining an uneven developmental trajectory. As discussed in Chapter Seven, a profound path dependency has arisen, whereby the inherent tendencies of remittance capital undermine export production and aggravate trade imbalances, making it necessary to sustain forced migration in order to secure further remittances and plug the current account deficit. The government's use of remittance-backed international loans to finance massive urban development projects is evidence of the tacit commitment to non-inclusive development that remittance dependency entails.

Local Institutions – Place

Sri Lanka is far from demographically homogenous and discrimination against minority or disempowered populations has been integral to a long history of accumulation by subordination. Forced migration has not, therefore, been a uniform process. Patterns of uneven development intersect with the geographical contours of class, gender and ethno-religious manifest in place. A spectrum of institutional differences across fieldwork locations – encompassing local livelihoods, recruitment networks, government services and distinctive migration cultures – produce dramatic variations in migration outcomes. Such variations are readily framed in comparison of migration experiences in the Polgahawela and Thavapuram communities, the former demonstrating a cooperative strategy largely bound by internal and international religious affinity while the latter revealing how war, exploitation and economic marginalisation conspired to heap the highest costs on the poorest migrants. Furthermore, the geographic constraints of place were seen to facilitate centralised accumulation, as mobile urban capital embodied in recruitment networks was able to exploit the fixity of migrant communities' dire material circumstances and insufficient knowledge of migration practices. The chief institutional apparatus coordinating foreign employment, the recruitment framework erected by the
various merchants of labour, is thus invested in the continuation of remittance-driven uneven development.

*Individual Agency – Status*

The limitations imposed by interlinking structural and institutional hurdles do not discount migrant agency. The cooperative strategy observed in Polgahawela, which allowed prospective migrants to mitigate financial risks and draw on transnational networking to cut-out recruitment agents, is a demonstration of how agency can be exercised to achieve better outcomes from foreign employment. However, the dominant framing of migrant agency as the utility-maximising rationalism of *homo economicus* is not reflected in the economic realities facing most Sri Lankan migrants and their families. Forced migration, as argued earlier, occurs not only in response to the disappearance of decentralised work, but the degradation of remaining employment pathways within urban EPZ production.

The fictitious commodification of Sri Lanka’s working poor has entailed an inherent deprivation of *status*, evidenced by the stigmatisation of women workers and crises of masculinity arising from declining rural livelihoods (Kottegoda 2004), that creates a strong human desire to reclaim self-worth by other means. Fieldwork findings suggest that migrant returnees face strong social expectations of 'success' and, whether migration has been beneficial or not, tend to conspicuously consume remittances to signify the pretence of status. Suggesting that such expenditures are wasteful or 'unproductive' accords migrants the undue burden of being held accountable for their own economic circumstances, in keeping with the condescending rhetoric of 'self-help development'. Instead, these purchases can be situated as modest attempts to recreate status in lieu of an inclusive model of development that would make such goods attainable without recourse to migration. However, the narration and performance of status afforded by the spatial disconnect of migration has the effect of socially communicating a veneer of success that rarely stacks up against the hardships and economic realities of migration. The social acknowledgement of this pretence transmits unrealistic assumptions about migration, encouraging others to undertake the considerable risks of temporary labour migration based on an incomplete appraisal of the social and economic gains to be had.
Conclusion

This chapter has critically examined the broad developmental implications of temporary labour migration for Sri Lanka, as a migrant-sending country, relative to the migrant-receiving countries of West Asia and other developed or developing regions of the world economy that are altogether estranged from this particular flow of labour. Addressed from this comparative view of development, the assumptions behind the promotion of temporary labour migration as a ‘triple win’ scenario amount to an unequal distribution of ‘wins’ that benefit the developed before the developing, and migrant workers least of all. The immediate outcomes of temporary labour migration thereby constitute an arrangement that exacerbates existing developmental disparities between Sri Lanka and the GCC countries that exploit its workers as part of a diverse reserve army of migrant labour. However, the full extent of Sri Lanka’s experience of migration-underdevelopment is only appreciable once the indirect implications of its systemic reliance on temporary labour migration are considered. The uneven costs, care burdens, demand spillovers and overall precarity inherent to widespread temporary labour migration leads to the assessment that Sri Lanka represents one of a handful of emerging remittance economies whose dependency on migration substitutes for development in the short-term while entrenching long-term underdevelopment. Importantly, the indirect implications of temporary labour migration are not constrained to sending and receiving economies, but instead overlap with established patterns of trade and production to generate potentially significant windfalls for developed and developing regions of the world economy.

The chapter concludes by presenting a theoretical framework for critically analysing the path dependency of migration-underdevelopment that characterises remittance economies. By examining the cumulatively causal mechanisms sustaining temporary labour migration at various scales of analysis, multiscalar migration theory offers an explanation of Sri Lanka’s seemingly intractable dependence on remittances that harmonises structural economic analysis and the contextual specificity of social life. Employing a Marxian analysis of the spatio-temporal unfurling of uneven development at global and local levels, it rejects the narrow framing of migration-development as a ‘triple win’ enjoyed by isolated economic actors and instead points to broader developmental disparities occurring amidst an ongoing transnational division of labour. The emergence of remittance economies like Sri Lanka is a fundamental feature of this process, as those
countries that have failed to industrialise are nonetheless drawn into global production networks as exporters of labour-power. By unpacking the mutually-reinforcing features that limit potential for inclusive growth and development for the remittance economy, this thesis has sought to provide a basis from which to theorise experiences of migration-underdevelopment more generally. Sri Lanka is far from unique in its macroeconomic circumstances and the contradictions embedded in the deepening reliance on loaning, rather than using, labour likely hold true for other remittance economies. The conceptual tools of remittance capital, forced migration, place and status may vary in their pertinence depending on other economies’ specific histories of uneven development. However, the levels of analysis emphasised by multiscalar migration theory provide a general framework that draws attention to the internal complexities of sending economies, which have too often been overlooked in migration-development theory.
Conclusion

Migration-Underdevelopment in Sri Lanka

Summary

The evidence and analysis marshalled throughout this thesis demonstrates that Sri Lanka’s growing dependency on temporary labour migration and remittance capital has not yielded an economic panacea but ingrained a complex process of migration-underdevelopment. The benefits anticipated by the dominant ‘triple win’ policy rhetoric are conspicuously absent within this dynamic: migrant households struggle to achieve subsistence outcomes without recourse to cyclical foreign employment, while aggregate remittance inflows produce a set of macroeconomic constraints that stifle inclusive economic development. Sri Lanka’s remittance economy is not sufficiently explained by existing historical-structuralist critiques of migration-development either, as scant attention to the institutional features of migrant-sending countries and an under-theorisation of remittances has proven analytically limiting. This research has addressed both oversights by returning to the Marxian root of historical-structuralist theories, where the contextually-specific spread and shaping of capitalist social relations is identified as an important institutional feature of uneven development (Brenner 1977). By drawing upon the multiscalarity inherent in this approach it emphasises the salience of existing uneven development in creating diverse migration practices while leveraging remittance capital to reproduce otherwise infeasible patterns of non-inclusive development. Temporary labour migration is therefore identified as a logical continuation of the ‘accumulation by subordination’ that has characterised Sri Lanka’s colonial and postcolonial economic development by exploiting marginalised populations in degraded forms of work. Whereas this was earlier achieved by deriving rents from semi-feudal production, temporary labour migration represents a more sophisticated abstraction of the same relationship by ‘loaning’ Sri Lanka’s poor as indentured migrant labourers whose remittances indirectly sustain an urban non-tradeable sector and finance vanity projects for the political elite. Despite extending the short-term viability of uneven development, Sri Lanka’s dependency on temporary labour migration and remittance capital is entrenching long-term underdevelopment by neglecting local industry while supplying labour and demand to
other regions of the world economy.

This analysis has been guided by three contributions to the migration-development literature made in the course of research.

*Multiscalar Migration Theory*

The theoretical framing of temporary labour migration as a multiscalar process is the first of these contributions. The migration-development debate has been popularly construed as a pendulum oscillating over time between ‘pessimistic’ and ‘optimistic’ appraisals of migration’s developmental potential, respectively couched in structure-centric and agency-centric theories but equally deterministic in their conclusions (de Haas 2012). Yet the supposed rigidity of historical-structuralist perspectives, and moreover the entire structure-agency dichotomy permeating the migration-development literature, has been overstated. Historical-structuralist contributions to migration theory have been far less deterministic than their detractors imply, insofar as emphasising the structural constraints of capitalist development is not tantamount to denying the exercise of individual agency *within* those structures. Although earlier, more unilateral concepts like ‘brain drain’ do little to rectify the apparent impasse between structure and agency, the Marxian root of historical-structuralist perspectives offers a coherent framework in which to reconcile individual realities with the economic structures that shape them. However, constricting the migration-development debate to a structure-agency binary has also entailed a general neglect of institutional factors and the potential for multiscalar research to draw meaningful linkages between overlapping levels of analysis. The adopted framework of Multiscalar Migration Theory has emphasised these interconnections. By examining the intersections of global patterns of capital, countrywide structures of uneven development, local institutions and individual agency it offers a holistic but nuanced assessment of the varying causes for, experiences during and outcomes of temporary labour migration in Sri Lanka. This multiscalar approach likewise informs a novel approach to fieldwork, wherein locational differences manifest in *place* are positioned as a means of probing the interplay of structures, institutions and agency. An empirical identification of diverse migration experiences responding to cumulatively causal pressures at each level of analysis is the second major contribution of this research.
Conducting fieldwork across four geographically and demographically distinct locations has enabled this research to offer a contextually-sensitive empirical evaluation of how migration practices and experiences vary throughout Sri Lanka. Dramatic differences between migrant communities throughout Sri Lanka were uncovered in the course of research. These differences demonstrate how developmental marginalisation can compound migration problems, but also reveal the importance of more subtle interactions involving gender norms, religious affinity, cultural practices and community knowledge. Recognising disparate migration experiences both reaffirms the importance of multiscalar research and rejects prevalent generalisations of migrants as uniformly empowered by rational decision making or disempowered by structural underdevelopment. Instead, this approach contends that historically and geographically specific subordination of gender, ethnicity and class differentiates the circumstances of migration while also revealing complex migration cultures with path dependencies of their own.

Three themes – *forced migration*, *place* and *status* – have been introduced to identify key differences and cumulatively causal features at structural, institutional and agency levels. The interweaving of gendered analysis throughout the discussion of each of these prominent empirical themes represents a further contribution made by the thesis, as existing research has tended to focus specifically on the experiences of women (particularly in Sri Lanka, where female migration has been unusually dominant) or overlooked considerations of gender entirely by homogenising experiences of the migrant individual. By distinguishing between the specific conditions, experiences and outcomes of women’s and men’s migration – and by exploring the patriarchal framework and gendered tensions that bind and mediate these differing realities – the research has allowed for a more sophisticated understanding of how gender permeates the relationship between migration and development in Sri Lanka.

*Forced migration* describes how Sri Lanka’s uneven development has, with varying degrees of severity, displaced economically marginalised communities into foreign employment and constrained migrants’ ability to successfully reintegrate upon their return. Sri Lanka’s neoliberal turn has concentrated feminised productive activity in narrow and exploitative avenues of accumulation in the urban economy while
undermining the viability of traditional male livelihoods that households have historically depended on. Returnees interviewed overwhelmingly indicated that they would not have migrated if decent local employment were available, a sentiment supported by migrants’ yearning for a ‘good life’ amounting to little more than the desire for a sustainable livelihood. The outcomes of migration, meanwhile, were substantially tempered by the limitations of prevailing underdevelopment; indebtedness and household expenses claimed a significant portion of remittances and left little income for ‘investment’ beyond basic assets. While less marginalised and better prepared communities could make greater use of migration, households were typically seen to subsist off remittance incomes and engage in repeat or ‘flow-on’ migration to sustain these income streams.

The circumstances under which migration occurred varied appreciably from one community to another, reflecting prevailing developmental disparities but also locationally-specific migration strategies and cultures. An analysis of place complements structural understandings of the causes and outcomes of temporary labour migration by addressing the particular institutional factors that give rise to heterogenous migration practices and influence the expenses associated with foreign employment. Recruitment practices of the ‘merchants of labour’ adapt to the landscape of uneven development by using the relative mobility of capital to exploit the material conditions, communal knowledge and cultural practices fixed in place while strategically responding to fluctuating foreign demand for male and female migrant workers. In Thavapuram especially, acute developmental adversity and recent exposure to foreign employment conspired to allow a network of sub-agents and labour brokers to exact inflated recruitment fees for poorly paid jobs. An existing lack of wealth and assets conditioned a particularly high dependence on local moneylenders as a source of financing and, as a result, instances of severe indebtedness amongst returnees. However, other local migration practices were observed to afford a means of resisting exploitation by the ‘merchants of labour’ by facilitating alternative recruitment and financing strategies. The Muslim community in Polgahawela was particularly successful in this regard, as religious affinity with West Asian employers allowed encouraged private recruitment via friends and family, while principles of Islamic banking and strong communal bonds engendered a system of collectively financing the individual costs of migration. Nevertheless, loosely regulated recruitment practices are seen to exploit the geographic and demographic contours of uneven development to produce conditions of ‘uneven migration’ within
which vested business interests entrench temporary labour migration as a developmental strategy.

Migrant agency, too, is a crucial aspect of migration outcomes, but not when understood in the parochial terms of rational utility-maximisation put forward by neoclassical migration theories. The concept of status offers an intuitive means of reframing agency with greater sensitivity to migrants’ expressed frustrations with, and aspirations for, life in Sri Lanka. Exercised within the structural and institutional constraints of temporary labour migration and social expectations aligned with prevailing gender norms, status entails the use of migration to negotiate self-worth amidst the widespread devaluation of labour throughout Sri Lanka and within avenues of foreign employment. Paradoxically, the very ‘invisibility’ of foreign employment shields migrants from the stigma attributed to degraded local work, while also offering the ability to ‘reinvent’ personal narratives that satisfy social expectations. Remittances, along with gifts from employers, meanwhile enable the conspicuous consumption of status goods as a form of social currency: housing, consumer durables, jewellery and clothing can all be potent signifiers of status. Conspicuous remittance use is therefore an earnest reclamation of status deprived in lieu of decent local work and, for many, an important factor of successful migration. However, conspicuous consumption often obfuscates the hardships and shortcomings of migration as a survival strategy, projecting a facade of prosperity that encourages other members of a community to migrate in pursuit of their neighbour’s apparent wealth.

Incapable of being sufficiently explained by singular explanations of migrant agency or structural underdevelopment, empirical analysis of Sri Lanka’s diverse migration experiences reveals a series of cumulatively causal pressures conditioning a reliance on temporary labour migration at structural, institutional and agency levels. The resultant path dependence is expressed macroeconomically by a growing dependency on remittance capital as a means of sustaining uneven development.

Remittance Capital

The thesis’s final contribution has been to offer a systematic conceptualisation of remittance capital and its macroeconomic implications for Sri Lanka. Remittance transfers reside at the crux of recent migration-development optimism, both as private income
transfers to stimulate household consumption and investment and as aggregate foreign exchange inflows to improve access to developmental loans. In practice, this ‘duality’ of remittance capital has perpetuated the contradiction of Sri Lanka’s uneven development: private remittances act as subsistence for the economically marginalised, while aggregate remittances strengthen the currency to cheapen imports and enable developmental loans for the benefit of the urban service sector. Inherent ‘Dutch-Disease’ effects that undermine export diversification, along with inevitable debt-servicing from the associated trade deficit, instils a path dependence on temporary labour migration as a solution to mass employment and macroeconomic stability. This dependence in turn conditions an inherent structural constraint to inclusive development, as the availability of decent and decentralised local employment threatens to ‘kill the goose that laid the golden egg’. It is in this sense that Sri Lanka has, through temporary labour migration, revitalised the logic of accumulation by subordination that has produced and reproduced structures of uneven development.

However, situating Sri Lanka’s dependency on remittance capital in international relief reveals a deeper process of underdevelopment, wherein an unequal distribution of the ‘wins’ supposedly accruing from temporary labour migration exacerbates economic disparity between the developed and developing. The employment of productive and reproductive forces abroad, rather than at home, entails the relative development of migrant-receiving economies at the expense of migrant-sending countries. The indirect consequences of temporary labour migration – including the cost reproducing labour power, care deficits, import spillovers and demand volatility – create further risks and burdens for sending economies. In the case of import spillovers, made likely by a strong currency and the comparative absence of local industry, the potential benefits of migration are no longer limited to receiving economies but extend to manufacturing regions throughout the world economy. That these outcomes are observable in a number of predominantly agricultural and unevenly developed migrant-sending countries points to the emergence of a new genre of ‘remittance economies’ whose path dependence on remittance capital is conditioning their long-term underdevelopment.

**A Triple Win?**

These three contributions amount to a comprehensive rejection of a ‘triple win’ scenario.
Empirical research has uncovered little evidence of the beneficial developmental outcomes anticipated for migrants and migrant-sending countries, while a multiscalar theorisation of remittance capital demonstrates how path dependency on temporary labour migration can entrench underdevelopment. In light of these findings, serious questions need to be asked of the prevailing ‘triple win’ policy rhetoric and, particularly, the continued espousal of ‘migrant entrepreneurship’ and remittance-driven development without sufficient evidence to support these claims.

Mainstream migration-development theory and research has lagged behind the ‘triple win’ agenda, allowing influential international organisations to uncritically promote temporary labour migration strategies that have since permeated development literature, policy and practice. In this manner, the idea of a ‘triple win’ has gained discursive power and provided superficial economic justification for the ongoing abuse and exploitation of migrant workers in the receiving countries of West Asia and elsewhere across the world. Temporary labour migration has produced disproportionate, rather than mutually-beneficial, outcomes: migrant workers do not often accrue sustainable wealth or well-being from the ‘weighted gamble’ of foreign employment; migrant-sending countries become locked into contradictory patterns of remittance-driven uneven development; but migrant-receiving economies and their citizens unequivocally gain from access to cheap and pliable labour. It is a development strategy through which the burden of risk and personal hardship is squared on the vulnerable, while the benefits accrue most evidently to those already empowered.

Yet the continued promotion of migration-development by policymaking institutions of the Global North may not convey a wilful neglect of migration outcomes so much as reflect the embrace of a parochial vision of development itself. Much akin to the concept of microfinance, remittance-led development is a popular narrative in the genre of 'self-help development', in which credit constraints form the principal impediment to a latent groundswell of entrepreneurship that, unfettered, would spearhead generalised prosperity. It represents the quintessence of 'post-Washington' neoliberalism: a capitalist rendering of development that locates poverty in ahistorical market imperfections, made more palatable by celebrating the poor themselves as individual 'agents of development'. There is conspicuous disregard for state-driven development and the accompanying rungs of public services, welfare, job creation, protectionism and industrial policy that have
historically comprised the 'ladder' to capitalist development (Chang 2003). Instead, cast as individual agents of development, migrants are held accountable for improving their own circumstances by 'selling' their labour abroad and subsequently 'investing' their remitted wages. Yet remittance expenditures on housing, vehicles, consumer durables, education and healthcare do not qualify as 'investments' in any conventional sense, but are either basic goods that should be affordable without recourse to foreign employment or privatised substitutes for public services.

The emergence of 'remittance economies' geared towards the mass provision of migrant labour as a substitute for local development should be recognised as a problematic symptom of temporary labour migration’s relationship with underdevelopment. For Sri Lanka, as with other remittance economies, the pertinent problem is therefore not 'how to leverage migration for development' but 'how to prevent migration as a form of underdevelopment'. This thesis offers no policy recommendations for, nor identifies any quick fix solutions to, this problem. This is not for a lack of want, but precisely because the contradiction of Sri Lanka’s migration-underdevelopment rests upon a deeply rooted path dependency with stubborn structural and institutional features for which there is no 'magic bullet'. Instead, this research has provided a contextually-sensitive analysis of the individual threads that together comprise the knot of migration-underdevelopment, illustrating the culpability of those naively promulgating a ‘triple win’ agenda that has categorically failed to deliver its developmental promises.
Bibliography


Adaderana. 2014. “Sri Lanka Expects Drop in Maid Deployment This Year.” Adaderana, February 11.


Appendix – Fieldwork Survey

Section A – Basic Information

A1: Age
☐ 18 - 24
☐ 25 - 34
☐ 35 - 44
☐ 45 - 54
☐ 55 +

A2: Gender
☐ Female
☐ Male

A3: Highest Level of Education
☐ Primary school not completed
☐ Primary school completed
☐ Secondary school not completed
☐ Secondary school completed
☐ Tertiary vocational completed
☐ Tertiary academic completed

A4: Marital Status
☐ Single
☐ Married
☐ Living with a partner
☐ Separated
☐ Divorced
☐ Widowed

A5: Ethnicity

A6: Occupation in Sri Lanka, before and after migration

A7: Occupation abroad

A8: Country, year and length of emigration
Section B – Reasons for Migration

B1: What were the main reasons for choosing to migrate for work?

☐ a) Lack of local work opportunities
☐ b) Better wages abroad
☐ c) Desire to leave home
☐ d) Other. Please specify:

B2: Would you have migrated if decent local work was available instead?

☐ a) Yes
☐ b) No

B3: Did you consider migrating for work within Sri Lanka?

☐ a) Yes (complete questions B4)
☐ b) No (complete question B5)

B4: Where did you consider migrating to and to do what job?

B5: Why was migration for work within Sri Lanka not appealing?

B6: Did your family actively encourage you to migrate for work?

☐ a) Yes
☐ b) No

B7: On how many separate occasions have you migrated for work?

☐ a) One
☐ b) Two
☐ c) Three
☐ d) More than three

B8: How did you arrange your employment abroad?

☐ a) Through an agent
☐ b) Through family and friends
☐ c) Through the bureau of foreign employment
☐ d) Other. Please specify:

B9: Approximately how much were the total costs involved in arranging migration (e.g. recruitment fees and flights)?
B10: Did your income differ from what you were told it would be?

B11: How did you finance the costs involved in arranging migration?

☐ a) Savings
☐ b) Loans from friends or family
☐ c) Moneylenders
☐ d) Agent loans
☐ e) Other. Please specify:

B12: If loans were taken out, how many months did it take to repay them?


☐ a) No
☐ b) Yes
Section C – Remittance and Foreign Expenses

C1: Approximately what percentage of your monthly income was remitted to Sri Lanka?

C2: How did you remit income to your family in Sri Lanka?

□ a) Western Union or MoneyGram
□ b) Other money transfer business
□ c) Bank transaction
□ d) In-person
□ e) Postal cheque
□ f) Other. Please specify:

C3: Did you or your family incur any costs when remitting or collecting this money?

□ a) Yes
□ b) No

If yes, please specify:

C4: Did you purchase goods abroad to bring back to Sri Lanka?

□ a) Yes
□ b) No

If yes, please specify:

C5: What everyday expenses did you spend your income on while working abroad?

C6: Did these expenses take up a significant percentage of your income?
Section D – Household Remittance Expenditure

D1: What did you and/or your family plan to spend your remittances on before departure? Please identify the three most important items:

a) Housing _____
b) Everyday consumption _____
c) Education _____
d) Jewellery and clothing _____
e) Healthcare _____
f) Business _____
g) Consumer goods and household items _____
h) Debt repayments _____
i) Others (please specify below) _____

D2: What items were your remittances actually spent on? Please identify the three largest expenses:

a) Housing _____
b) Everyday consumption _____
c) Education _____
d) Jewellery and clothing _____
e) Healthcare _____
f) Business _____
g) Consumer goods and household items _____
h) Debt repayments _____
i) Others (please specify below) _____

D3: Who decided how your money was spent within the household?

☐ a) Yourself
☐ b) Your partner
☐ c) Joint decision
☐ d) Family agreement
☐ e) Other. Please specify:
D4: Were you happy with the way in which your remittances were spent? Why or why not?

☐ a) Yes
☐ b) No

D5: Was money spent on housing? If so, please describe what it was spent on.

☐ a) Yes
☐ b) No

D6: Was money spent on everyday consumption? If so, please describe what it was spent on.

☐ a) Yes
☐ b) No

D7: Was money spent on education? If so, please describe what it was spent on.

☐ a) Yes
☐ b) No

D8: Was money spent on jewellery or clothing? If so, please describe what it was spent on.

☐ a) Yes
☐ b) No

D9: Was money spent on healthcare? If so, please describe what it was spent on.

☐ a) Yes
☐ b) No

D10: Was money spent on a business? If so, please describe what it was spent on.

☐ a) Yes
☐ b) No
D11: Was money spent on consumer goods or household items? If so, please describe what it was spent on.

☐ a) Yes  
☐ b) No

D12: Was money spent on debt repayment? If so, please describe how long repayments lasted.  

☐ a) Yes  
☐ b) No

D13: Were there other significant areas of expenditure? If so, please describe.  

☐ a) Yes  
☐ b) No
Section E – Overall Experience of Migration

E1: Did you find migration to be beneficial overall for your family?
   □ a) Yes (complete question E2)
   □ b) No (complete question E3)

E2: What was the main benefit for your family?

E3: What was the main reason that migration was not beneficial for your family?

E4: Was migration beneficial for you personally? Why or why not?

E5: What lifestyle changes did you and your family hope to gain from migration?

E6: What was your biggest pre-departure concern about working abroad?

E7: What was the main difficulty you faced while abroad?

E8: Did your family's social status benefit from migration? Please specify.
   □ a) Yes
   □ b) No

E9: Did your family's future employment opportunities benefit from migration? Please specify.
   □ a) Yes
   □ b) No
Section F - Other

F1: Can you please recommend other people who may be interested in participating in this survey?

F2: Is there anything else you want me to record in this survey? Do you have a comment or question?