GENDER DIMENSION OF REMITTANCES TO SRI LANKA: WHO REMITS MORE?

BY BILESHA WEERARATNE

Remittances are often considered a stable and reliable source of development financing. In 2018, remittances to Sri Lanka totalled to US $ 3.015 billion. At macro level, the contribution of remittances to the Sri Lankan economy is immense. In 2018, remittances accounted for 7.8 percent of GDP and could cover 59 percent of the total import bill of US $ 11.99 billion or over 13 percent of Sri Lanka’s outstanding external debt (US $ 12.52 billion). Nevertheless, in 2015, remittances to Sri Lanka declined for the first time in the recent years and then 2017 and 2018 saw a steady downward trend. While much is known about the macro level contributions of remittances, relatively little is known about the finer details. This article aims to shed light on the gender aspect of remittances, derived mainly from micro level data, to identify strategies to improve the country’s remittances in the future.

Decomposing remittances

In 2017, remittances to Sri Lanka declined by 1.08 percent, compared to the previous year, while the decline in 2018 was 2.08 percent. The Central Bank of Sri Lanka attributes this decline to the prevailing geopolitical uncertainties in the Middle East region, due to fluctuations in oil prices and sluggish global growth and the decline in departures for foreign employment. Nonetheless, an underexplored reason for the decline in remittances is the recent changes in the composition of migrant workers from Sri Lanka.

The targeted policy efforts to women in the share of income remitted indicated that women are less likely to save for themselves in the country of destination and instead transfer all their savings as

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In the monthly remittance bracket of LKR 60,000-100,000, there are more men remitting than women.

Up to about a fifth of their income in the country of destination, without remitting to Sri Lanka. It is unclear if males spend this portion of their income at the country of destination or save and bring it back in bulk upon returning to Sri Lanka.

Meanwhile, data indicates that the females’ tendency to remit a larger proportion of income earned from foreign employment could be driven by their involvement in domestic employment. For instance, out of the 31,665 female departures in 2018, almost 80 percent were for domestic work, where food and lodging are provided free of charge by the employer.

As per study findings, up to the average amount of remittances (Rs. 40,000 a month), there are a similar percentage of men and women remitting. However, employing the possibility of female migrants from Sri Lanka earning less than males, the study finds that in the monthly remittance bracket of Rs. 40,000-60,000, there are more women than men. On the contrary, in the higher monthly remittance bracket of Rs. 40,000-100,000, there are more men remitting than women.

These findings are consistent with international literature, which indicates that when they do remit, males remit higher amounts than females, possibly due to possessing

As a family, with no one behind to receive remittances. For this group of migrants, remitting is often optional.

The remittance market in Sri Lanka has not yet tapped this potential pool of remitters. In order to make remittances to go beyond mere necessity, the financial sector needs to make remitting

At the same time, it is necessary to encourage males to remit a greater share of their income from foreign employment. To this effect, pre-departure training needs to place more emphasis on educating male migrants about the importance of remitting.

Finally, most remittances to Sri Lanka are still sent out of necessity by migrants who have family left behind. But, with the promotion of attractive by associating benefits for remittances and making remittances Sending remittances quick, easy, and hassle free.

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