Present Mothers, Absent Children?
The Effects of Migration Restrictions in Sri Lanka

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Abstract

International migration offers access to lucrative, but often risky, labor market opportunities. Concerns about migrant abuse and the welfare of 'left-behind' children of migrants have led some sending-country governments to impose sweeping restrictions on outward labor migration. We investigate the consequences of migration restrictions by examining a policy implemented by the Sri Lankan government in 2013 that restricted women's migration opportunities. The reform's intent was to reduce the perceived harmful costs of migrant mothers leaving their young children behind. We find that the policy drastically reduced female migration to the Gulf region, suggesting strong compliance with the ban. Second, we find that households subject to the ban experience a reduction in remittance income lowering household consumption. Mothers subject to this ban reduce their fertility—an effect driven by behavioral responses to the ban rather than compositional changes resulting from returning mothers and prospective migrants deterred by the ban. Contrary to its intent, the policy did not improve health or education outcomes for left-behind children. Instead, children in households affected by the ban are less likely to report attending school and have fewer years of education.

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1 Introduction

Over two billion women face legal restrictions on being able to work outside their home (World Bank, 2022). While gendered laws may deter women's work through explicit job restrictions or the inadequacy of legislation targeting workplace harassment, the burden of these laws often falls disproportionately on women with children. In spite of efforts at reform, a global study of gendered laws estimates that women who have had a child have just a quarter of the economic rights of men (Hyland et al., 2020). For many women across the developing world, international migration at once offers access to transformative labor market opportunities and some respite from negative attitudes towards women's work in their home countries (Fernández and Fogli, 2009; Jayachandran, 2021). However, migrants face numerous risks; wages are often withheld and contractual amenities are not honored, and female migrants are often especially vulnerable to harassment and abuse (Fernando and Singh, 2022; Fernando and Lodermeier, 2022; Naidu et al., 2023). While concerns about migrant welfare and 'brain drain' have motivated restrictions on migration, female migrants are often subject to additional restrictions deriving from paternalistic views which argue that women have a comparative advantage in childcare and, in particular, that maternal care cannot be substituted.

The Gulf migration corridor is among the most important to many developing countries in South and South East Asia. However, in recent years the governments of Sri Lanka, Nepal, Indonesia, and the Philippines have instituted policies that seek to ban groups of female migrants—particularly, female domestic workers— from seeking work in the Gulf region (Shivakoti et al., 2021). Though these restrictions are hotly debated, there is limited empirical evidence that credibly estimates their consequences. While migration restrictions often reduce the volume of migration, mechanically satisfying the concerns of those opposed to it, foregone migration opportunities may impose a considerable welfare cost as several studies establish large returns to migration.[1]

We estimate the effects of migration restrictions in Sri Lanka that targeted young women and mothers with young children seeking domestic work in the Gulf region. Prior to the reform, female migrants accounted for roughly half of all migrants, 86% of whom were employed as domestic workers in the Gulf. In July 2013, the Sri Lankan government passed the Family Background Report (FBR) regulation, which restricted women under the age of 21 and women with children under the age of 6 from migrating abroad for domestic work. The migration ban was explicitly motivated by a concern for the children of migrant mothers. In a press release, the government justified the policy on the grounds that the children of migrants "have become helpless, vulnerable, and lack nutrition and healthcare." (HRW, 2007). In addition, the policy intended to secure the welfare of young children by ensuring they have a female guardian.

We use a difference-in-difference design to estimate the effects of this reform. We compare outcomes for both mothers and children in households with an eligible child (i.e. one

[1] For example, see (Gibson et al., 2017; Clemens, 2013; McKenzie et al., 2010; Hendricks and Schoellman, 2018).

strictly under the age of 6) to households without an eligible child, before and after the reform. We find that mothers affected by the ban were 2.3-3.4% less likely have a child in the 34 months after the ban—i.e. the time between when the reform is instituted and the median survey date in the 2016 follow-up wave. In spite of having fewer children as a consequence of the reform, the educational outcomes of children in affected households are poorer. Children in households affected by the reform are between 2.3-3.9% less likely to report currently attending school and have 1.7-3.8% fewer years of education. We find no changes in child health (as measured by height and weight). At the household-level, we find that treated households have higher levels of debt and lower remittance income after the reform. We don't see that domestic wage income or cash transfers rise to offset these losses, but we do observe a rise in non-agricultural income, which may suggest that treated households are substituting towards informal jobs.

Our primary contribution is to the literature examining the effects of migration restrictions on the economies of sending countries. From the perspective of migrant-sending countries, policy is often informed by debates on whether or not migration constitutes a 'brain drain' thereby adversely affecting migrants' economies of origin. Proponents of migration argue that remittances are crucial for the economies of sending countries: they act as a form of insurance against shocks (Yang and Choi, 2007), support human capital accumulation and entrepreneurship (Yang, 2008; Dinkelman and Mariotti, 2016; Dinkelman et al., 2022), and have negligible negative externalities relative to the gains which accrue to migrants (Gibson and McKenzie, 2012). Indeed, rather than resulting in 'brain drain', Theoharides (2020) find that less restrictive US visa policies for the recruitment of nurses, increased migration from the Phillipines and resulted in more nurses being trained, resulting in a net gain in human capital.

Nevertheless, recent arguments against migration are motivated by concerns about the abuse that, particularly female, migrants experience abroad. The Gulf migration corridor is especially consequential to South and South East Asian migrants. However, both civil society organizations and research suggests that labor abuses are commonplace with employers routinely withholding pay and engaging in physical abuse (HRW, 2010; Fernando and Lodermeier, 2022). These concerns have led a number of governments to institute sweeping restrictions on migration to the Gulf region at a great potential welfare cost. In recent years, the governments of Sri Lanka, Nepal, Indonesia and the Philippines have instituted policies that seek to ban groups of female domestic workers from seeking work in the Gulf region (Shivakoti et al., 2021). However, there is limited research examining whether governments can instead use regulatory policy to induce local intermediaries to improve the quality of migrant placements.

Research that studies the effects of these restrictions is limited. Theoharides (2020) shows that restrictions on Filipino migrants to Japan resulted in decreased migration and income and increased labor force participation and child labor in migrant sending areas. Peru (2022) studies the same reform that we do in Sri Lanka but uses a different empirical strategy—a regression discontinuity in time— to compare the fertility of women affected by the age restriction before and after the FBR policy, and finds that the reform *increased* fertility. A shortcoming of this strategy is that the data used by the author selects on 'ever married' women. Consequently, the estimate is biased upward because if the policy dissuades women from getting married and having children, they do not show up in the data used by the author. We contribute to this literature by studying the effects of migration restrictions in Sri Lanka and demonstrate their adverse consequences on household welfare and, in particular, on children's human capital.

While easing restrictions on women's work increases their economic independence and autonomy, their rising economic status has also been met with backlash. Employed women are subject to more intimate partner violence (Krishnan et al., 2010; Guarnieri and Rainer, 2018) and their unions may dissolve more rapidly (Bertrand et al., 2015). This backlash may, in part, result from views about women's work shaped by gender norms that argue that women have a comparative advantage in child care in spite of changing economic circumstances (Fernández and Fogli, 2009). Much research has demonstrated the benefits of expanding labor market opportunities for women in developing countries,[2]. While we understand the benefits of removing restrictions to women's work, we do not understand the household or economy-wide effects of imposing restrictions. We contribute to this literature, by showing how restrictions to women's work opportunities can influence household decision-making and the welfare of their children.

Finally, we contribute to the literature studying the importance of parental and, particularly, maternal presence during early childhood. Though not specific to early childhood, influential work in the economics literature suggests that mothers are more likely to invest in children (Duflo, 2003). More generally, 'attachment theory' originating in development psychology explores the effects of mother-child separation in early childhood and finds that even small periods of absence can result in negative behavior outcomes on children (Howard et al., 2011). Research spanning economics and sociology finds that maternal absence in early childhood can adversely affect the development socio-emotional skills (Moullin et al., 2018) and work by Waldfogel et al. (2002) suggests that maternal employment during the early childhood can result in adverse effects on child cognitive development. Perhaps unsurprisingly, these general findings are also echoed in studies that assess the consequences of maternal absence on 'left-behind' migrant children. In an exhaustive review, Cortina Toro et al. (2024) conclude that while remittances improve child outcomes across a number of outcomes, a number of studies suggest that the absence of (migrant) parents in early childhood has an adverse effect on cognitive development. While we lack precise assessments of cognitive development, we contribute to this literature by isolating an exogenous source of variation in migration that allows use to estimate the effects of migration restrictions on multiple dimensions of children's human capital.

In the following section we describe relevant context and the details of the policy. In Section 3, we outline a simple conceptual framework, while Section 4 describes our data

[2]For example, (Jensen, 2012; Heath, 2014; **?**) can empower women through giving them more control over their fertility and marriage decisions, encourage investment in human capital, and reduce domestic violence

source and empirical strategy. Section 5 reports our results, Section 6 discusses mechanisms underlying our results, and Section 7 concludes.

2 Context

2.1 Migration in Sri Lanka

In 2015, approximately 1.5 million Sri Lankans—equating to 17% of the nation's workforce—were migrant workers in the Gulf region. Each year, about 200,000 migrants, with an even distribution of men and women, leave for overseas work. Most men are engaged in construction and operate vehicles while women are primarily employed as domestic workers. The money sent home by these expatriates plays a significant role in the nation's economy, contributing to 8.8% of the GDP in 2020 (Economics, 2023). Yet, there are ongoing worries about the abuse experienced by migrant workers in the Gulf, as noted both by human rights organizations (HRW, 2010, 2012; International, 2020) and researchers (Fernando and Lodermeier, 2022; Fernando and Singh, 2022).

2.2 The Family Background Report (FBR)

Partly owing to concerns about migrant abuses, in January of 2013, several weeks after the execution of Sri Lankan domestic worker Rizana Nafeek, the government further restricted female migration by banning all women under the age of 25 from migrating to Saudi Arabia, banning women under the age of 23 from migrating to all other Middle Eastern countries, and banning women under the age of 21 from migration to all non-Middle Eastern countries. Next, in June 2013, the Cabinet released a circular which introduced the mandatory Family Background Report (FBR) for women seeking migration specifically as domestic workers (maids). In 2015, another circular extended these restrictions to all women seeking foreign employment in any sector (Gamburd 2020 p.188-189, Ministry of Foreign Employment 2015; Sri Lanka Mirror 2015). As of 2018, the SLBFE requires prospective female migrants to pay an additional job agreement fee of 50 USD for domestic workers and 35 USD for those seeking unskilled labor positions (Government Information Centre 2018).

The Family Background Report and Verification Necessitated a husbands name and signature, as well as his consent to his wife's migration and alternative childcare arrangements, regardless of whether a woman has children (Jayaweera 2015, Weeraratne 2018). As of 2018, a guardian is required to sign the FBR report for an unmarried woman, even if she is over the age of 18 and therefore considered by the Sri Lankan constitution to be an adult (Weeraratne 2018) Foreign Employment Officers also visit the homes of prospective migrants, with one officer reporting seeing 100-120 applicants per month (Sunday Times 2018). An officer must make sure there are no children under age five in the home. "If she finds any, the government official cannot approve the woman's application" (Sunday Times 2018). The officer must also make sure that the husband doesn't object to his wife's migration. Women with children over