

Cause and Effect - Indian Migration to the Gulf Countries

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ABSTRACT

The GCC comprises Bahrain, Kuwait, Oman, Saudi Arabia, Qatar and United Arab Emirates; and is situated in the West Asian region. GCC has total population of about 54 million, 46% of which are migrants. In some GCC countries, the percentage of immigrants are almost 90%. Most immigrants are low-skilled workers from developing countries of South Asia. These migrant-workers together with natural resources like oil make the pillars on which the GCC-wealth is built. About 7 million Indian immigrants are staying in the Gulf countries, which is one of the most influential factors shaping Indian foreign policy towards Gulf countries. Economic factors like high rates of unemployment, poverty and low wages in India are mainly responsible for Indian middle class migration to Gulf countries. The Gulf states have a small population, high income and are rich. Indian migration towards Gulf countries provides cheap labour and services that helps in making the infrastructure and institution there, Indian migration is a major source of remittances for India. About \$70 billion remittances come to India from the Gulf countries. Indian diaspora is the second largest in Gulf countries. Indian migration to Gulf state begins from ancient time but after the discovery of oil in Gulf and oil boom of 1970s, Indians move to the Gulf at large scale. Kafala system is an obstacle for Indian migration to GCC. Kafala system plays severe role as a mediator between migrant and state to make the migration policy difficult. The blue-colour job holder migrants live in Gulf countries in misery and inhuman condition. Indian migrants send remittances to India that help raise consumption capacity and investment in education of their family. It also assists to pull them out of poverty.

Key Words : GCC, Migrant, Immigration, Remittances, Kafala system

Migration: An Introduction:

People always move from one place to another for various reasons. The phenomenon under which people leave their native places and settle in other places for short or long duration of time is called migration. Natural and artificial or human made factors are the forces behind migration. Migration is explained as permanent, semi-permanent or temporary change of residence, which could be between countries, within country, from rural to urban regions etc. Migration has become an integral part of the current global economy.¹ However, migration from one country to another country is called International migration. Search for employment, better jobs and improvement in

1. LLP, G. T. I. (2016). Overseas Migration Patterns from India: Detailed Report, India. p-50.

income and standard of living have been the push and pull factors that cause migration. International migration is also known as long distance migration. There are various causes behind people's migration from one place to another place. The causes may be unemployment, marriage, education and when people feel the lack of security at certain place, they prefer to migrate to safer place. Causes of migration are divided into two parts – first, pull factor; and second, push factor.² Migration is also explained in terms of push and pull factors operating in worker's exporting and worker's importing economies respectively. Pull factors are mostly prevalent in the urban centers that provide huge scope for employment for infrastructure real estates, trade, transport, industries and other services. These areas are found in urban areas that provide modern facilities and act as magnet attracting people for better opportunity of employment. Push means pushing the people from one area to another area. Push factors are usually a bunch of negative factors, for example poverty, unemployment, starvation, lack of modern facilities and political unrest etc. These are the main push factors responsible for migration. When people are unable to find the means of livelihood in their native places, they are compelled to go out to nearby or distant towns or countries. Push factors are responsible for migration to or from a country. The migration is operated from push factors in the countries having higher population and lower economic development. They have high unemployment and surplus workers. The pull factors generally exist in the countries having high income but low level of population and further lower level of workforce. Within the broad framework of pull and push causes, there are some other causes also, which determine the labour migration from one country to another. Poverty, lack of employment and income opportunities, search for employment, and expectation for higher income may motivate workers to migrate and work in foreign countries. Economic factors like high rates of unemployment, poverty and low wages in India are more responsible for Indian middle class migration to the Gulf countries. Religious affiliation and job opportunity is also one of the most important pull factors in Muslim community to migrate to the GCC countries. Most of the Indian migrants to the gulf belong to Muslim community. Muslims migrate to the GCC from India to be with family and relatives, while finding better job opportunities.

Demography of Gulf Countries :

Indian migration to the Gulf states began from ancient time but after the discovery of oil in the Gulf region and oil boom of the 1970s, Indians moved to the Gulf on a large scale. The system behind migratory process in the Gulf is called 'Kafala'. Kafala system is a sponsorship system based on individual labour contracts which decide how long a guest worker can stay in the country. In this way, the employer acts as a 'middle man' between migrant and state, thus making control over migration difficult.³

Gulf cooperation council (GCC) is an inter-governmental political and economic union of the Gulf state. The GCC was formed on 25 May 1981 at the capital city of the United Arab Emirates, Abu Dhabi. Bahrain, Kuwait, Oman, Saudi Arabia, Qatar and United Arab Emirates comprise the GCC, which is situated in West Asian region. The Gulf States are the countries situated in the Persian Gulf except Iraq and Iran. The GCC has a small population and most of the land are desert. Gulf countries are rentier states because maximum revenues are generated from oil in these countries. Gulf countries are ruled by Monarchy and centralised political system. Petroleum

2. Kumari, Sangita (2014). Rural-urban migration in India: determinants and factors. *International Journal of Humanities and Social Sciences*, 3(2) : 161-180.

3. Noora, L (2012). Temporary workers or permanent migrants? The Kafala system and Contestations over Residency in the Arab Gulf States. Paris: IFRI.

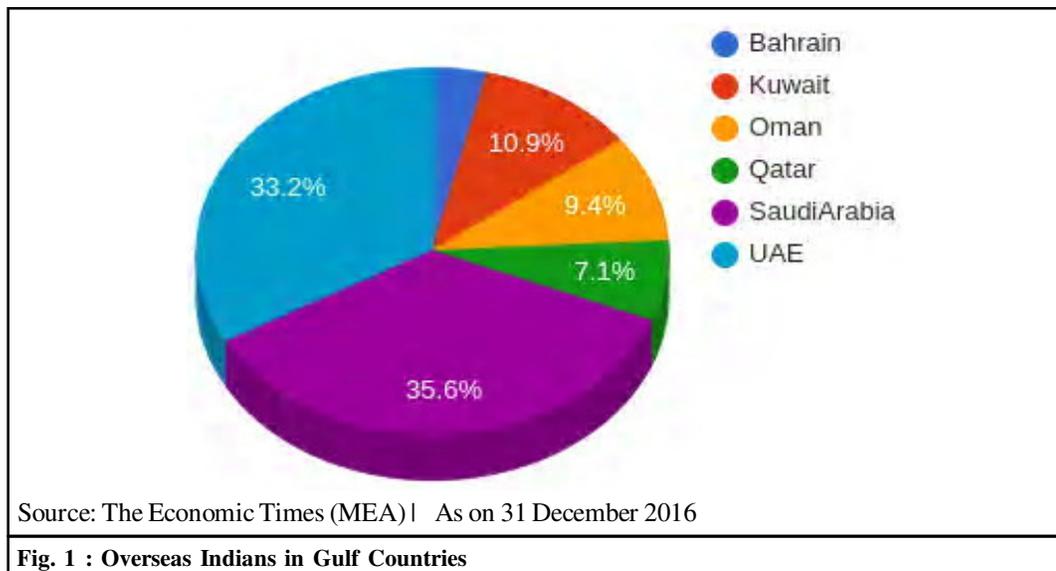
resources and monarchy seem to go together in the GCC countries.⁴ Due to petroleum reserve and its exploration GCC has high per capita income. Indian migration towards Gulf countries provides cheap labour and services that assist to make infrastructure and institution bringing prosperity in this region. For the first time, the Persian oil company BAPCO imported labourers from India in 1935.⁵ Indian labourers are now employed in various sectors including oil company, real estate, infrastructure and other development project, service sector and domestic servant. Although blue colour job holder migrants live in misery and inhuman condition, equivalent to modern slavery, in the Gulf countries. Indian workers are protected under the Emigration Act, 1983 for safe emigration. The Emigration Act, 1983 also provides the regulatory framework to ensure protection of worker's interests and welfare. Government of India may appoint a Protector General of Emigrants or many Protectors of Emigrants according to section 3 of Emigration Act, 1983.⁶

The Indian population to GCC countries constituted 11% of the total population of GCC countries in 2002. The majority of migrants in Saudi Arabia and UAE comprised 46% and 27% respectively of their population.⁷ GCC has the total population of about 54 million, 46% of which are migrants. In some GCC countries, the percentage of migrants is almost 90%, which makes the GCC countries highly dependent on migrants. Most of the migrants are male, younger age group, low-skilled workers from developing countries in South Asia. These migrant-workers together with natural resources like oil are the pillars on which the GCC-wealth is built. About 7 million Indians present in the Gulf countries serve as a strong factor behind Indian foreign policy towards the Gulf countries. The religious faith of Indian migrants towards gulf about 56% are Sunni Muslim, 26% of Christian and 16% are Hindu. Majority of migrants are from Uttar Pradesh, Kerala and Tamil Nadu.

Gulf countries, which are based on oil economy, have the world's largest number of temporary labour migrants. The GCC countries are rentier states and have been undergoing remarkable economic development over the last four decades. As such, there is a huge demand of both skilled and semi-skilled workers in various sectors, including infrastructure, services, construction, retail and domestic services in these countries. Skilled or professional migrants comprise 30% of the total Indian migrants to the Gulf, and the rest 70% migrants are unskilled.⁸

Large labour migration to the gulf states has changed demography of the gulf countries. The population of migrants is greater than the native population of UAE, Qatar and Kuwait. Migrants comprise 88 per cent of the population in the UAE, 76 per cent in Qatar and 74 per cent in Kuwait. Wages are very high in destination countries than India, this wage gap is the key factor of migration. Gulf countries provide higher wages and greater employment opportunities to labour migrants. Despite labour rights, regulation and protection of migrants, human rights remain a challenge in the GCC including entire West Asian region. As per data of the Ministry of External Affairs, total number of migrants in Gulf countries till December 2016 was 8443772. The highest number overseas was in Saudi Arabia- 3004585, followed by UAE- 2803751, Kuwait- 923260, Oman- 796001, Qatar- 600000 and Bahrain- 316175.

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4. Karl, T. L. (2007). Oil-led development: social, political, and economic consequences. *Encyclopedia of energy*, 4(8), 661-672.
 5. Vidya- mira, Immigration to the Gulf. https://www.youtube.com/watch?v=alcUx_0NFmk.
 6. Indian Emigration Act, 1983.
 7. Vidya- mira, Immigration to the Gulf. https://www.youtube.com/watch?v=alcUx_0NFmk.
 8. Ibid.



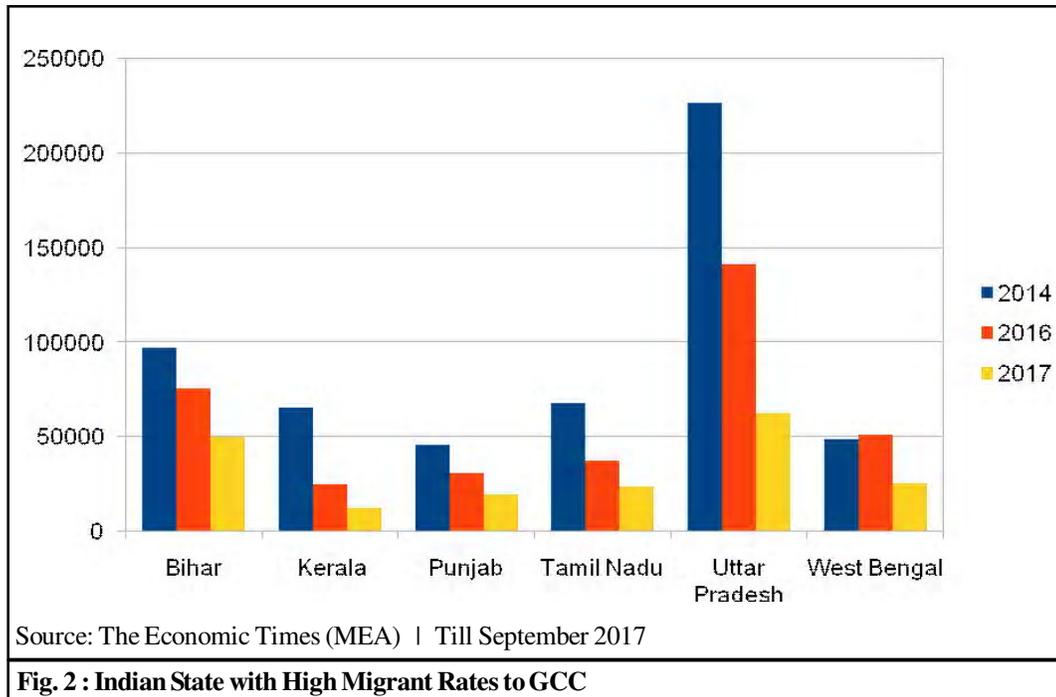
India: Hub of Labour Market :

The population of India is expected to cross 1.30 billion in 2017, India has the youngest population in the world. India's 65% population is under 35 years of age, which is active workforce. Underdevelopment of human resources and unemployment is a serious problem in India. Majority of Indian migrants are unskilled labourers. "Skill India mission" was launched by the Government of India in 2015. Skill India is a dream project of India under Prime Minister Narendra Modi government. The liberalization, privatization and globalization of the Indian economy are formally known as economic reform of India in 1991. Iraq war of 1990-1991 was also one of the key factors behind this economic reform because flow of foreign currency from Gulf countries was stopped and petroleum prices rose due to the war. Although after economic reform, employment trend in India is shifting from public to private sector and a lot of domestic and foreign capital investment in Indian economy and private sectors have generated employment, but they have been unable to solve unemployment problem in India.

The leading Indian states for outward labour migration, in 2014, included Uttar Pradesh, Bihar, Tamil Nadu, Kerala, Andhra Pradesh, West Bengal, Punjab, and Rajasthan. These states accounted for over 80% of the migration from India at 678,644 outward migrants; Uttar Pradesh was the top contributor with 226798 outward migrants. The migration trend has experienced a relative shift from prosperous states such as Kerala and Karnataka to poorer states like Uttar Pradesh and Bihar due to the excessive and sudden population growth in these states, leading to a high demand for job⁹ Unemployment is the root cause of poverty and India suffers from high rate of unemployment. Poverty and high unemployment, low wages, poor standard of living, limited financial support of the government and allied agencies, low creation of job in the formal and informal sector have been contributing out-migration from different states of India. India is recognised as labour market, the labour force in India in 2011-12 was estimated at 483.7 million workers.¹⁰

9. LLP, G. T. I. (2016). Overseas Migration Patterns from India: Detailed Report, India.. p- 6-7.

10. Sasikumar, S. K. and Timothy, R. (2015). From India to the Gulf region: Exploring links between labour markets, skills and the migration cycle. GDC Country Office Nepal, GIZ. P - 9-10.



The average educational qualification and skillness of Indian migrants to GCC are region wise different. South Indian migrants are more skilled and educated than the North Indian migrants¹¹. Wage rates, particularly for low-skilled workers, in states like Kerala are fairly high compared to the rates in Bihar and Uttar Pradesh. This situation encourages low-skilled and less educated worker in poorer states to migrate abroad in the hopes of earning greater income. Remittances have been playing vital role in reducing poverty and increasing household income especially of those workers who were not involved in any economic activity in India before migration.

India receives huge amount of remittances from Gulf countries that helps to better living standard, escape from poverty and promote change in Indian society. Remittances have changed the consumption and investment patterns, lifestyle and education of the migrants' families. About \$70 billion remittances by the Indian expatriates come to India every year. However, impact of Indian migration to the Gulf has been all over the India, but Kerala has emerged as the role model. Social, economic and educational conditions in Malappuram, Kasargod and Thrissur districts of Kerala have improved due to the Gulf remittances.¹² Indian community forms the second largest overseas population in the Gulf. In 2016, India received top remittance from GCC with \$62.7 billion. Although, single sex male migration has led to disruption of family system and created many social problems, but migrants and their families bear these problems happily.

11. Iduraya S. Rajan speak in International conference on migration dispora and development on 20-21 February 2016.

12. Kohli, Neha (2014), "Indian migrants in the Gulf countries", in Rumel Dahiya Development in the Gulf region prospects and challenges for India in the next two decades, New Delhi: Pentagon Press.

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