

WORKING PAPER NO.180

ASIAN EMIGRATION TO THE MIDDLE EAST :
EMIGRATION FROM INDIA

(a report on the state of the art)

P R GOPINATHAN NAIR

Centre for Development Studies
Ulloor, Trivandrum - 695011
Kerala

November 1983

ASIAN EMIGRATION TO THE MIDDLE EAST:

EMIGRATION FROM INDIA

(a report on the state of the art)

INTRODUCTION

This report endeavours to bring together fragments of information lying scattered in research reports, government publications and press reports which have a bearing on the migration of Indian workers to countries in West Asia. The informational base of this phenomenon is scanty in India since no detailed and in-depth studies have been conducted by any institutional agency, national or state governments, international institutional agencies, or research institutions within the country. Unfortunately therefore this report can hope only to present the broad contours of the problem and highlight the need for an indepth study. Such a study appears to be most essential and urgent particularly since the peak phase of migration has already come to an end and the problems of rehabilitation and reemployment of repatriates are expected to present formidable problems for India in general and the States like Kerala which account for considerable proportions of the migrants, in particular.

VOLUME OF MIGRANTS

Emigration from India to countries in the Persian Gulf region is generally known to have been taking place on a substantial scale during the past ten years. Pronouncements made by the Ministers of the Government of India in the Parliament, press reports, and guesstimates made in the studies made on the labour situation in the Gulf countries by a few authors constitute the basis on which some rough magnitudes could be arrived at. The drawback of such sources is that they are only at best in the nature of conjectures.

Besides these sources, there exists information on the number of passports issued annually by the different passport offices of the country. Passports are however issued for travel abroad for different purposes and to different countries, not only to countries in the Gulf region. The number of passports issued would therefore be a poor base on which to construct estimates of the annual flows to any particular region such as the Gulf countries.

Another source which could be thought of is the Protectorate of Emigrants which issues clearance to the emigrants and registers their employment agreements. This source has not been accessible to us.

A third source would be data on air traffic, the number of passengers travelling by the different air lines from India to the Gulf countries and back every year. The difficulties with this source are manifold which include: (1) the information is not available for all the different air lines that operate between India and the Gulf countries; (2) vast numbers of persons are known to have emigrated from India to the Gulf region through third countries; (3) not all the passengers travelling to the Gulf

countries are those who emigrate to that region, but could include those who return from leave; (4) large numbers of persons emigrate through sea and land routes; and (5) all those who travel to the Gulf countries may not be emigrants, but would include persons who land in that region for short term visit, such as the Haj pilgrims. An alternative source that could be thought of is the Indian Embassies in the different host countries. Information from this sources is not available in India.

The Reserve Bank of India (R.B.I.) used to issue 'P' forms to persons travelling abroad till the year 1977-78 and the information used to be published in the Currency and Finance, published annually by the Bank. The practice of issuing 'P' forms has since been discontinued with the relaxation of the rules regarding travel abroad.

Extensive surveys have been conducted in the other countries in the subcontinent - Pakistan, Bangla Desh and Sri Lanka - by outside agencies such as the World Bank and also by national research institutes such as the Pakistan Institute of Development Economics and the Bangla Desh Institute of Development Studies. National Government agencies in these countries have also published information on the Emigration phenomenon. Instances are the Emigration Statistics of Pakistani Manpower (published by the Ministry of Labour and Employment of Pakistan in 1980) and Migration of Sri Lankans for Employment abroad (published by the Ministry of Plan Implementation, Sri Lanka, in 1981). No corresponding studies have been made in India. A systematic and comprehensive survey of the emigration phenomenon in India is therefore urgently called for.

It is however possible to form an approximate idea of the magnitude of the stock of Indians in the Gulf countries from the studies already conducted by researchers on international migration and the occasional pronouncements made by the governmental authorities in India.

Prakash C Jain^{1/} has pointed out that the migration of Indians to the Gulf region had been small till the end of the Second World War. He cites from an earlier study the size and distribution of Indians in that region in 1948. The total number was around 14,000 distributed as follows:

Table 1

Number of Indians in the Middle East, 1948

Name of country	No. of immigrants
Aden	5594
Bahrain	1138
Egypt	1000
Iran	2500
Iraq	650
Kuwait	1250
Muscat	1145
Jordan	} less than 100 each
Lebanon	
Palestine	
Syria	
Turkey	
Total	<u>14,000</u>

Source: Prakash C Jain, op.cit.

Jain notes that during the next two decades, the total number increased to only about 40,000, and that the distribution of the migrants among the different countries had undergone some change. In 1970-71, the Indian population was distributed as shown in Table 2.

^{1/} Prakash C Jain, Indians Abroad : a current population estimate Economic and Political Weekly, February 20, 1982, pp.299-304.

Table 2Number of Indians in the Middle East, 1970-71

Name of Country	No. of immigrants
Aden	- 2000
Bahrain	- 5500
Iran	- 1000
Iraq	- 12000
Kuwait	- 12000
Miscat	- 4500
Qatar	- 2000
Saudi Arabia	- 1000
	<u>40,000</u>

Source: Same as for Table 1.

Birks and Sinclair^{2/} trace the introduction of Indians (as well as those belonging to other Asian countries) to the Gulf countries to the European companies and government agencies. According to these authors there existed in 1970, 247.7 thousand Asian workers in the Arab region comprising Bahrain, Kuwait, Qatar and the United Arab Emirates.. The break up of the migrant workforce from Asia by country of origin is not however furnished. The volume of Indian migrant workers increased quite rapidly since 1970 and stood at about 154 thousand in 1975.^{3/} Their country-wise distribution is reported to be as shown in Table 3.

J S Birks and C A Sinclair, International Migration and Development in the Arab Region, International Labour Office, Geneva, 1980, p.31.

Ibid., Table 13, p.137

Table 3

Indian Migrant Workers in the Arab Region by Country of
Employment, 1975

Country of employment	Number of Indian workers	Indian workers as percentage of all Asian workers in the country
Saudi Arabia	15,000	1.9
Libyan Arab Jamahiriya	500	0.2
United Arab Emirates	61,500	24.5
Kuwait	21,475	10.3
Qatar	16,000	29.8
Bahrain	8,943	30.5
Oman	26,000	36.8
Iraq	5,000	7.6
	154,418	8.5

Source: Birks and Sinclair, *op.cit.*, p.137.

The volume of the migrant population is much larger than the volume of migrant workers. Birks and Sinclair give a figure of around 266 thousand for the migrant population from India for the year 1975, distributed as shown in Table 4.

Table 4

Distribution of Indian Migrants Population in the Gulf Region
by Country of Residence, 1975

Country of Residence	Number of Persons
Saudi Arabia	34,500
Libyan Arab Jamahiriya	1,100
United arab Emirates	107,500
Kuwait	32,105
Qatar	27,800
Bahrain	17,250
Oman	38,500
Iraq	7,500
Total	266,255

Source: Birks and Sinclair, *op.cit.*, p.139

The work participation rates of the Indian migrant population are far higher than those of the population of the host countries concerned; further, these rates themselves differ from country to country, even though such wide differences are not observed in the rates among the nationals; see Table 5.

Table 5

Work Participation Rates of Nationals and Indian Migrants
1975

State	Work Participation Rates of Nationals	Work Participation rates of Indian Migrants
Saudi Arabia	22.4	43.5
Libyan Arab Jamahiriya	20.2	45.5
Oman	24.9	67.5
Kuwait	19.4	67.0
Bahrain	21.4	51.4
United Arab Emirates	22.5	56.3
Qatar	18.4	57.6
Total	21.7	57.6

Source: Birks and Sinclair, p.131, 137 and 139.

A more recent estimate of the total number of Indian workers in the Gulf countries gives a figure of 599,500 in 1981.^{4/} According to this source, the employment of Indians was the largest in the United Arab Emirates. The country-wise distribution of Indian workers according to this source was as follows:

Table 6

Indian Workers in Major Countries of West Asia, 1981

Country	Number of Indian workers (approximate)
Saudi Arabia	80,000
Kuwait	80,000
United Arab Emirates	250,000
Oman	65,000
Libya	40,000
Bahrain	75,000 (25,000 each)
Iraq	
Qatar	
Yemen Arab Republic	5,000
Jordan	3,500
Yemen	1,000
Total	<u>599,500</u>

Source: Statement made in the Parliament by the Minister of External Affairs, Government of India, on 26 March, 1981.

On March 26, 1981, the Minister of External Affairs, Government of India informed the Lok Sabha (The Indian Parliament) that there were an estimated 599,500 Indians working in the major countries in West Asia.

The latest estimate about the number of Indian workers in the Gulf countries has come from the External Affairs Minister, Government of India, Mr. A. A. Rahim, who visited these countries in May 1983 to study and find solutions to the problems faced by Indian labour. According to him, there were nearly one million workers in the Gulf countries including Saudi Arabia and Iraq.^{5/} If the work participation rate of the Indians remains at its 1975 level, namely 57.6 (see Table 5), the total Indian population in the Gulf region is likely to be of the order of 1.7 million. A large proportion, say, more than 50 percent, of the Indian migrants are those belonging to the small state of Kerala which accounts for less than 4 per cent of the total population in India.^{6/}

Annual Rate of Outflow

No reliable data exist on the number of persons who migrate annually to the Gulf countries. However, it is possible to get a rough idea of the annual net flow from the stock figures of workers for the different years, namely 40.0 thousand in 1971, 154.4 thousand in 1975, 559.5 thousand in 1981 and 1000 thousand in 1983. The annual net outflow would have been therefore on the average around 28.5 thousand during 1971-75, 67.5 thousand^{7/} during 1975-1981 and 220 thousand during 1981-83.^{8/}

5/ Indian Express, 27 May, 1983

6/ "Estimates are that there are five lakh (0.5 million) Keralites working in the Gulf region....", Indian Express, dated 10.4.1983. If the work participation rate among Keralites is the same as among Indians as a whole, the total Keralite population may come to about 0.87 million.

7/ These figures are not to be taken as exact; some reports place the total number of migrants' during the two year period 1976-77 at 300,000; see Pavan Sharma, Biased Propaganda Against Indians in West Asia, Commerce, July 1, 1978, p.20.

8/ According to a press report, the magnitude of the annual flow of workers to the Gulf countries during 1980 was 236.2 thousand; in 1981 it increased to 276.0 thousand; in 1982, there was a slight decline to 239.5 thousand. It is reported that during the first six months of 1983, more than 110 thousand persons migrated to the Gulf countries, Kerala Kaumudi, dated 29 August, 1983.

Stock and Annual Rate of Returnees

Apart from the occasional reports in the Press about repatriation, actual or potential, of the migrants, no information exists on the number of persons who have returned on completion of their job tenure in the host countries or of the size of the annual inflow. The returnees have not however swelled into sizeable numbers and have not so far posed any problem for the concerned state governments. Enquiries made at the Employment Exchanges in Kerala - the state in India which sends the largest number of persons to the Gulf countries - have shown that no instance of a Gulf repatriate registering with the Employment Exchanges has been so far happened. Only a household survey on a sufficiently extensive scale would bring out the magnitude of the stock of returnees and the magnitude of their annual inflow.

Composition of Migrants

Regions: Emigration from India to the Gulf countries takes place mainly from seven States - Kerala, Andhra Pradesh, Punjab, Gujarat, Goa, Maharashtra and Tamil Nadu. Of these seven states, Kerala is supposed to account for not less than 50 per cent of the migrants. Bulk of the migrants from Bombay (in the state of Maharashtra) are persons belonging to Kerala and Goa. Tamil Nadu is the latest entrant into the exodus. No surveys are known to have been conducted about the volume of annual flow of migrants for any state in India other than Kerala. According to a survey conducted in Kerala during January - March 1980, there were 207.8 thousand persons who had gone abroad for work, of whom 186.5 thousand (90 per cent) were in countries in West Asia. This figure includes only the workers, not their non-working spouses, relatives or children who live with them abroad. There are reasons to believe that this number is an underestimate and that the present volume of Keralites (workers and

non-workers combined) in the Gulf countries would be not less than 800 thousand.^{9/}

The vast majority of the migrants are rural people. The town-folk among the migrants are the Engineers, Doctors, Contractors and other professional workers, whose proportion among the migrants is likely to be extremely small, about 10 per cent at the most.

By regions within the host countries: Indians have migrated to almost all the capital-rich Arab states which entertain Asian immigrants. The trade contacts of Indian merchants with the Middle East countries have existed for several centuries in the past. The United Arab Emirates (consisting of Abu Dhabi, Dubai and the small emirates of Sharjah and the poor "village states" of Ras-al-Khaimah, Umm-al-Quaiwain, Ajman and Al Fujirah) imported Indian goods and redistributed them throughout the Arabian peninsula.^{10/} Dubai served as the major centre in the UAE in this redistribution trade. The Indian merchants and their Arab partners also used to carry out extensive illegal trade with India in goods the import of which the government of India had restricted, such as gold, watches, tape recorders and transistor radios. It is estimated that about 3000 Indian merchant families live in Dubai who had arrived there well before the 1970's. The new migrants who moved to Dubai were those attracted by the oil boom. Among the Indian community in Dubai, Keralites form the vast majority. The place of Abu Dhabi in the UAE is only next to that of Dubai so far as the number of Indian migrants is concerned.

9/ According to an official source (whole identity we have not been permitted to mention), the total number of persons belonging to Kerala who are outside India at the end of 1982 was about 1800 thousands. The same source also reported that about 40 thousand persons left Kerala during 1982-83 alone for employment in the Gulf countries. A sizeable number of Keralites migrated also from Bombay. Besides these, we may add about 20 per cent as those constituting illegal emigrants.

10/ Myron Weiner, International Migration and Development, Population and Development Review, 8, No.1, March 1982, p.13.

Most of the Indian workers in Abu Dhabi are employed in the development projects and the service sector. The total number of Indian workers in the UAE in 1981 is estimated to have been around 250 thousand.

Bahrain is a small state in Western Asia with a local population of about 3600 thousand persons.^{11/} Migrants form nearly 40 per cent of the total workers. In 1981, Bahrain had about 2500 Indian workers. This state had some special Indian connection during the British rule in India. It was made a British Protectorate controlled by the Government of India. During that period, Indian merchants settled in Bahrain and imported rice, tea, sugar and shoes and subsidised Arab smugglers in gold and pearls and managed the trade in hashish and opium.^{12/} Indians began to arrive to work as clerks and technicians and nurses during the 1930's with the development of the Bahrain Petroleum Company. Subsequent to the World hike in oil prices the volume of Migration from south Asian countries began to swell and the migrants were employed mostly in construction work and shipping and banking services.

Oman, like Bahrain, has had a special Indian connection during the British rule of India. During the first half of the present century, British Officials of the Government of India policed this region and members of the Indian Political Service and the Indian Civil Service were posted in Muscat as Agents and Residents.^{13/} It was the Indian merchant community that had dominated the economy of Oman even during the nineteenth century. They were not only wholesale and retail traders and the import and export agents of the Western companies but also the bankers. The merchants belonged to the north-western parts of the Indian peninsula now within the territories partly in Pakistan and partly in India. The Hindu merchants who

^{11/} Myron Weiner, *International Migration and Development*, Population and Development Review, 8, No.1, March 1982, 0.13.

^{12/} Myron Weiner, op.cit., p.17.

^{13/} Ibid., p.18.

went from Kutch in the state of Gujarat had to undergo persecutions during the 1860's and a large proportion of them left the country for safer areas in the East African coast. Those that remained behind had of course a secure place in Oman's economy. They imported food to Oman, exported dates to India, managed the pearl trade from Bahrain and developed trade links between Oman on the one side and Zanzibar, Somalia and Mozambique on the other. The Indian merchants had close liaison with government officials, provincial governors and the ruling family. However till the early 1970's, Oman remained an underdeveloped, industrially backward country, largely due to the policy of isolationism followed by the Sultan for fear of a coup from his fellow Arab rulers. The Sultan used to recruit his advisers and officials in the police and the public works departments from India. It was only after the overthrow of the Sultan in 1970 by his son that Oman moved into an era of modernisation. The boom in oil prices has helped to accelerate the process. Modernisation processes began in Agriculture, Fishing, and Industry. Industries were begun in cement, petro-chemicals and oil refining. Roads and harbours were developed and hotels, cinema houses, and government office buildings were constructed in large numbers. Since no official census has been conducted in Oman, there exists no reliable estimate of the total national population. Independent observers estimate its present size to be not less than one million persons.^{14/} According to the Government of India, there were about 65,000 Indian workers in Oman in 1981. The largest proportion of the Indian workers in Oman are those belonging to Kerala. The other states of India from which workers have migrated to Oman are Gujarat, Punjab and Goa.

Kuwait had in 1980 a national population of 1.36 million. The expatriate labour force comes to nearly double that of the national labour force. The number of Indian workers in Kuwait remained much smaller than that of workers from other Arabian countries till the beginning of the 1970's.

^{14/} Gulf Guide and Diary, 1983, World Information, 21 Gold Street, Saffron Walden, Essex, U.K.

In 1975, out of the total immigrant workers of 211 thousand, Indians accounted for only about 21 thousand. After 1975, the flow of Indians to Kuwait increased steadily and their number stood at nearly 80 thousand in 1981. This large increase was facilitated by the withdrawal of vast numbers of Egyptian workers from Kuwait - as also from the other countries in the Persian Gulf region - during the closing years of President Sadat's regime in Egypt. The sudden withdrawal increased the chances of migration of Indian doctors, engineers, nurses and skilled and unskilled workers. Indian labour was particularly attractive to Kuwait due to the traditional commercial and official links it had with India, the fear on the part of Kuwait to entertain large numbers of other Arab workers and the low levels of remuneration, much lower than what the Egyptian, Palestinian and Jordanian workers demanded, acceptable to Indian workers.

Saudi Arabia had a national population of 8.37 million in 1980.^{15/} This country had followed till mid-1970's a policy of giving preference to Arab nationals. In 1975, more than 90 per cent of the migrant labour in Saudi Arabia was accounted for by other Arab nationals. The Asian community had contributed only about 5 per cent of that country's migrant labour.^{16/} In recent years, a visible change has been noticed in the policies of Saudi Arabia regarding employment of migrants. Its interest in Asian labour has grown enormously and it now prefers Asians to Arabs for the different types of its developmental activities. From a mere 15 thousand in 1975, the number of Indian workers increased to nearly 80 thousand in 1981.^{17/}

^{15/} Demographic Year Book, 1980, op.cit., p.155.

^{16/} Birks and Sinclair, op.cit., p.76.

^{17/} Statement made by the Minister of External Affairs, Government of India, see footnote 4. According to the Ministry of Labour, Government of India, of the 110 thousand Indian workers who migrated to Gulf countries during the first six months of 1983, 46 thousand went to Saudi Arabia, 24.8 thousand to Oman, a mere 11.5 thousand to UAE and 7.2 thousand to Kuwait, Kerala Karmudi, dated 29 August, 1983.

Qatar is a small state with a national population of about 56 thousand, which forms only about one-fifth of the total population (including expatriates). Qatar depends heavily on Asian labour which accounted for about 57 per-cent of all the workers in that country in 1975. The number of Indian workers in Qatar which stood at about 16 thousand in 1975 increased to about 25 thousand in 1981. Since the Qatari population is small and its labour requirements much larger than could be met by the natives fully, the country's heavy dependence on migrant labour is likely to continue for a long time into the future.

The Indian workers in the Gulf regions may be grouped into five broad categories: Construction workers, employees in private firms, employees in government and other public sector institutions, traders and businessmen and domestic servants.^{18/}

Construction workers form the single largest category. Indian workers are employed in a variety of jobs such as unskilled workers, skilled craftsmen, civil engineers, and managers. The major construction companies are Indian, British, American, Cypriot and Arab.

Private sector firms in industry and services employ Indians as factory workers, clerks in department stores, waiters, clerks, receptionists and managers in hotels, engineers in oil companies, clerks accountants and managers in banks, and in various clerical and sales jobs in business.

A large number of Indians are employed in government departments and other public sector institutions as well.^{19/} India,

^{18/} Myron Weiner, op.cit., pp 8-9

^{19/} It was reported in recent days that the total number of Indians employed in government service in the UAE was 97,700; Indian Express dated 1.7.1983.

particularly the state of Kerala, is the major supplier of doctors and nurses to the hospitals in the Gulf countries.

The fourth category of Indians in the Gulf region is the trading and business community. Even though their numbers are not large, economically they are a powerful section, particularly in Dubai, Abu Dhabi and Oman.

Indians are also employed by Arab families as cooks, sweepers and gardeners. Their numbers are however limited since the government of India had, during the past several years, followed a policy of completely banning the emigration of Indian women for domestic service to Persian Gulf countries.^{20/} The government ban on emigration of women was not however successful due to the prevalence of clandestine movement of migrants, including women, on a substantial scale. The government of India reiterated its decision again in 1973.^{21/}

^{20/} "In view of the many complaints received by the government about the maltreatment of domestic female servants in Kuwait and other Persian Gulf territories, executive orders have been issued completely banning the emigration of Indian women to those territories for domestic service". Report of the Ministry of External Affairs, Government of India, 1961-62, p.71.

^{21/} "As a result of unprecedented affluence in recent years in the Gulf countries (mainly Kuwait, Muscat, Bahrain and Dubai), the demand there for Indian domestic staff, e.g. maid servants, cooks, Ayahs, has been growing rapidly. Unscrupulous touts and 'agents' in India have, reportedly, been clandestinely exploiting the situation by luring the needy and susceptible Indian women to the area, with exaggerated promises of lucrative jobs and attractive living conditions there. With a view to curbing any surreptitious outflow of Indian women in this manner, inter-alia, all the state governments have been requested to tighten up security arrangements at all possible exit points. Additionally, they have been requested to give extensive publicity, particularly among the uneducated and the poorer sections of society, to the hazards to which women leaving India illegally are inevitably exposed abroad". Report of the Ministry of External Affairs, Government of India, 1972-73, p.99.

COMPOSITION OF MIGRANTS

As no extensive surveys have been conducted in the Indian states from which migration to the Gulf region takes place, the distributional pattern of the migrants by age, education, occupational status etc. reported below are based on the findings of a few sample surveys conducted by private agencies and individual researchers in Kerala in recent years. These sample surveys were conducted during 1977 and 1978.^{22/}

Age

The majority of the Gulf migrants were, at the time of their first emigration, in general, young, as may be seen from Table 7.

Table 7

Age Composition of the Migrants to Gulf Countries: Kerala, India
(per cent)

Age group	Elako- nam	Koip- ram	Kadakk- vur	Peruma- thura	Puthu- kurichi	Chirayinkil, Cher- gamur, Chevakkad, Tirur
Below 20	6.5	5.4	0.7	18.5	9.1	0.6
20 - 25	33.9	41.9	24.5	33.8	36.4	24.9
25 - 30	27.4	24.3	40.1	20.8	22.7	34.2
30 - 35	19.4	13.5	21.1	13.1	11.4	18.1
Total	87.2	85.1	86.4	86.2	79.6	77.8
35 - 40	3.2	2.7	6.8	4.6	11.4	11.3
40 - 45	6.5	9.5	3.4	7.7	4.5	5.8
45 - 50	3.2	2.7	2.0			3.3
50 and above -	-	-	1.4	1.5	4.5	1.8
Total	12.9	14.9	13.6	13.8	20.4	22.2
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0

^{22/} The case studies are: (a) Raju Kurian, "Patterns and Effects of

Persons in the age groups below 35 years dominated in all the case studies and accounted for 78 to 87 per cent of the total migrants.

Education

Migrants to Gulf countries possessed on the average, much less educational qualifications, general and special, than their counterparts to Western countries and Africa. Even illiterates formed part of them. However, their proportion, according to the surveys conducted in Kerala, did not exceed 10 per cent. The distribution of the emigrants according to their educational levels as revealed by the case studies is shown in Table 8.

Except in a few centres, the bulk of the migrants belonged to the categories of below Matriculates and Matriculates, who take up employment in West Asian countries as unskilled and semi-skilled workers (artisans, technical workers, helpers, etc.). The proportion of highly qualified personnel was small and did not exceed 10 per cent for most of the centres. The Gulf migration did not constitute therefore a serious problem of brain flow; rather it was predominantly a flow of brawn, which has been in excess supply in Kerala (as is in the rest of India) for the past several decades.

contn. of footnote 22

Emigration from Kerala - a study of Two Villages", Centre for Development Studies, Trivandrum - 1978 (unpublished M.Phil. dissertation); (b) E T Mathew and P R Gopinathan Nair, "Socio-economic characteristics of Emigrants and Emigrants' Households - a case study of Two villages in Kerala" Economic and Political Weekly, 15 July 1978; (c) B A Prakash, "Impact of Foreign Remittance - A Case study of Chavakkad village", Economic and Political Weekly, 8 July 1978; (d) Commerce Research Bureau, Emigration, Inward Remittances and Economic Growth of Kerala, Report of a Survey, Bombay, 1978; (e) C Radhakrishnan and P Ibrahim, "Emigration, Inward Remittances and Economic Development", The Manpower Journal, New Delhi, January-March 1981; (f) Agro-Economic Research Centre, Madras, "Impact of Foreign Remittances on the Economy of a Rural Area in Kerala", Agricultural Situation in India, Delhi, October, 1982.

Table 8

Percentage Distribution of Migrants to Gulf Countries according to Educational Qualifications, Kerala

Educational Qualifications	Elakko- nam	Koi- pram	Cheva- kkad	Kadaidka vur	Peruna- thura	Muthu- kurichi	Chongannur, Chirayinkal, Chavakkal, Tirur
I Illiterate	-	-	6.6	-	4.6	-	10.5
II Literate	100.0	100.0	93.4	100.0	95.4	100.0	89.5
of which:							
Below Matri- culate	51.5	9.5	77.9	44.5	43.2	35.7	39.7
Matriculate	43.5	55.4	11.8	42.1	41.4	55.5	34.0
Graduates, Post-graduates, Engineers, Medical Doctors and others	5.0	35.1	3.7	13.4	10.8	8.9	15.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Occupational Status:

The majority of the persons who emigrated from Kerala during the 1970's came from the stock of the unemployed. The proportion of the unemployed varied however from one centre of emigration to another. In the relatively poor areas in which income and educational status of the population was low, the proportion of the unemployed among emigrants was as high as three-fifths or more. In other centres, they formed slightly more than one-third. Unskilled and skilled workers accounted for between one-eighth to one-half of the total, again depending on the income-educational status of the emigration centres. A significant observation to make is that professionally qualified and highly educated persons migrating to the Gulf region was a rare phenomenon and concentrated in a specific area, which has sent such personnel also to countries in the West and to Africa. Otherwise the migrants are all workers of unskilled and semi-skilled

categories. The proportion of emigrants for white collar jobs such as clerks, typists, teachers, nurses, telephone operators etc. formed on the average about 5 to 6 per cent eventhough the percentage in this respect was also high in the areas in which educational and income levels were high; see Table 9.

Table 9

Percentage Distribution of Emigrants according to Occupational Status on the eve of Emigration, Kerala

Occupational Status	Elakamon	Koipram	Chavakkad	Kaddakavur	Chengannur, Chirayinkil, Chavakkad & Tirur
Employed including students	37.1	33.8	36.0	69.4	62.6
Unskilled workers	16.1	5.4	35.3	8.8	11.3
Skilled and semi-skilled workers	12.9	6.8	12.5	10.2	11.6
Technical and Professional Personnel	8.1	29.7	-	-	1.0
Property Traders, Businessmen and cultivators	19.4	2.8	5.9	2.7	6.9
Clerks, Typists, Teachers, Nurses etc.	6.5	21.6	-	2.0	6.6
Not known	-	-	10.3	6.8	-
Total	100.0	100.0	100.0	100.0	100.0

Marital Status

Since the emigration to the Gulf countries is almost entirely a youth phenomenon, the bulk of them at the time of emigration were unmarried. The question of marital status of the emigrants was looked into only in one of the studies made during the late 1970's in Kerala. According to this study, emigrants of less than 25 years of age were, almost entirely, unmarried. Thus in areas in which the proportion of unskilled and semi-skilled young workers, with low educational qualifications was higher, the

proportion of unmarried persons among the migrants was correspondingly higher. On the average, it is found that nearly one-third of the migrants were unmarried at the time of their first emigration.

Income of the Family

The occupational and educational composition of the migrants is a reflection of the income status of their families too. The majority of the migrants came from poor families, living in rural areas and engaged in low productivity traditional activities such as fishing, agricultural labour, household industry, and service sector jobs such as helpers in country tea shops and salesman in groceries. It is only a minority among them that belonged to more well-to-do families of plantation owners, professional such as engineers, doctors and college teachers, and medium-scale industrialists and businessmen. Some of the village studies conducted in Kerala throw -- albeit only indirectly -- light on the income levels of the migrant families. For instance, the study conducted by Mathew and Nair pointed out that more than four-fifths of the emigrants' fathers were poor persons who earned their living from unskilled manual labour : 33.5 per cent were engaged in petty commodity production; 37.4 per cent in trading; 4.5 per cent in semi-skilled work such as masons, carpenters and blacksmiths; 4.5 per cent in small scale cultivation; and, 4.5 per cent in low-income occupations such as priests, barbers and soldiers. Only a small proportion of them (15.5 per cent) had worked in supervisory and managerial types of work and in the capacity of professional and technical personnel (5.8 per cent); and as middle-income white collar workers such as clerks, typists, stenographers, teachers, nurses etc. (9.7 per cent). Nearly 15 per cent of the fathers were illiterate, and the literate among them whose educational levels were below matriculation formed about 74 per cent. Thus only around 11 per cent had education of the category

'matriculation and above'. The survey conducted by the Commerce Research Bureau made the following observations:

"By and large the emigrants originally hail mostly from poor homes About 41 per cent of the households have land below one acre. Households holding more than 5 acres are negligible.", see also Table 10.

Another indication that this study gives about the economic status of the families at the time of emigration is their indebtedness.

Table 10
Percentage Distribution of Emigrant Households by Size of
Land Holding

<u>Land Holding</u>	
<u>Size group (acres)</u>	<u>Percentage</u>
Below 1	41
1 - 2	28
2 - 3	7
3 - 5	5
Above 5	1
Not reported	18
Total	<u>100.0</u>

About 60 per cent of the emigrants' families were heavily in debt, even though it may be noted that part of the indebtedness was incurred specifically for meeting the cost of emigration itself.

III

DOMESTIC DEMAND AND SUPPLY OF LABOUR

From the national point of view, emigration of two or three million persons does not affect the labour situation in India to any perceptible extent. The backlog of unemployment is so heavy and the growth rate of

population so high (during 1971-1981, population in India grew by 24.8 per cent) that the objective of planning to reach levels of full employment has remained so far elusive. In fact the work participation rate for the country has remained at the low level of around 33 per cent (of the total population) during the last two decades with a male work participation rate of about 52 per cent and female participation rate of about 12 to 14 per cent. Even a small state like Kerala, which accounts for more than 50% of the total number of persons who migrated to the West Asian countries and whose population accounts for less than 4 per cent of the total population of India, has not been able to improve its work participation rate during the decade 1971 to 1981. In 1971 the rate was 29.1 which declined to 26.5 in 1981. The decline was higher among men (from 45 to 41) than among women (which remained around 13 in both the years). The tardy rate of growth of employment opportunities in the industrial sector of the state economy plus the stagnation of employment opportunities in the allied/agricultural and sectors have rendered increase in the State's work participation rate virtually impossible, despite the fact that there has been a mass migration of males from Kerala and that the State had experienced a sharp fall in the rate of growth of population during the decade 1971-1981 (from 26.3 per cent during 1961-1971 to 19.0 per cent during 1971-81). The work participation rates in the localities in which migration to the Gulf countries has been of a heavy order show that they are not in general higher than that for the State of Kerala as a whole, see Table 11.

Table 11

Work Participation Rates in 1971 and 1981 in the Taluks from which Migration to the Gulf countries has been heavy

Name of the Taluk	Work Participation Rate (per cent)					
	1971			1981		
	Total	Males	Females	Total	Males	Females
Trivandrum	28.1	44.2	11.8	26.8	41.6	12.2
Chirayinkil	30.4	43.4	18.1	25.8	37.8	15.1
Qullon	29.6	42.3	17.0	22.1	34.8	9.7
Pathanamthitta	25.8	45.2	6.4	26.0	44.8	8.0
Chengannuur	26.9	43.8	10.7	23.9	38.9	10.1
Tiruvalla	25.7	43.1	9.0	24.5	40.4	9.7
Mukundapuram	28.1	42.1	14.8	26.0	38.6	14.2
Trichur	27.9	41.6	14.9	27.7	40.7	15.5
Chavakkad	25.7	39.3	14.1	22.4	33.6	12.9
Talappally	32.2	44.8	20.8	29.8	41.2	19.6
Ponnani	29.2	45.1	14.4	21.4	21.4	34.5
Nrur	24.9	43.5	7.3	19.3	34.3	5.3
Madagara	25.2	41.8	9.2	21.4	34.6	8.8
Cannanore	28.6	45.3	12.3	25.7	42.0	10.0
Kerala	29.1	45.0	13.5	26.5	40.8	12.8

Source: Census of India, 1981, Series 10, Kerala, paper 2 of 1981
Director of Census Operations, Kerala, Trivandrum, 1981.

The fact that even with the heavy exodus of population, Kerala's work participation rate remains very low -- it has had the lowest participation rates among all the states in India right from the beginning of the twentieth century -- is an indication of the heavy order of unemployment that prevails in the state and the economic stagnation that the State has been facing.

However unemployment is not confined to Kerala alone. It is a spectre that haunts all the States in India. Nor is unemployment confined to the less educated or to the rural population. Educated unemployment is as acute as unemployment among the less educated. According to a study made by the Government of India in 1980 on the job opportunities for highly qualified manpower in India, the number of vacancies arising annually are

much lower than the annual output of such manpower from the educational system.^{23/} The following Table 12 gives the figures of vacancies and out turn for the years 1972 to 1978.

Table 12

Number of Vacancies for Highly qualified Manpower and Out turn
of the Educational System, 1972-78, India

	Vacancies	Outturn	Vacancies as percentage of outturn
1972	81,980	589,359	13.0
1973	83,633	698,762	12.0
1974	56,533	788,888	7.2
1975	49,232	734,829	6.7
1976	60,705	765,588	7.9
1977	62,071	826,588	7.5
1978	67,726		

The number of persons passing out from the universities is on the average about 11 times the number of jobs available.

A break-down of the vacancies and the outturn by the different educational categories for the years 1978 and 1977 respectively is given in Table 13.

^{23/} Government of India, Bulletin of Job Opportunities in India, Annual Number 1978, Vo.XV, No.5, Central Institute for Research and Training in Employment Service (D.G.E. & T), Ministry of Labour, New Delhi, 1980. The number of vacancies have been calculated for all the sectors - central government, state governments, quasi-government, local bodies and private agencies.

Table 13

Details of Vacancies in 1978 and Outturn of Universities
in 1977 of Highly Qualified Manpower, India

	Number of vacancies (1978)	Outturn of Universities (1977)	Vacancies as percentage of outturn (%)
Engineers (Degree and Post-graduate degree and Diploma holders)	21,932	43,158	50.8
Technologists (")	840	2,907	28.9
Agriculture and allied Scientists (")	2,742	9,258	29.6
Medical Personnel(")	6,736	21,347	31.6
Natural Scientists (Post-graduate only)	5,768	14,716	39.2
Social Scientists and Teachers (post-graduate only)	16,827	208,240	8.1
Other graduates and Diploma holders (not covered above)	12,881	527,134	24.4
Total	67,726	826,760	8.2

In such a situation in which the annual supply exceeds several times the annual absorption capacity, an outflow abroad in considerable numbers of such personnel does not lead to domestic shortages. In fact, in the absence of job opportunities commensurate with their qualifications, a large proportion of the highly qualified job seekers is constrained to take up jobs which require only lower qualifications, a process which some-educat-ionists have termed 'bumping down'. Thus, emigration of persons, both highly qualified and others, has not created shortages of manpower for the national economy or for the particular states which have heavy concen-tration of emigrants. The flow of highly qualified personnel cannot in the ordinary sense of the term be therefore termed "brain drain". The phenomenon is more a case of "brain overflow". This does not however mean

that the economy is not in acute need of their services; it means only that the market demand for their services has not developed adequately within the country. The heavy costs incurred by the country in producing such high level manpower are also a factor to be taken into account in drawing conclusions on the loss sustained by the national economy by allowing them to emigrate.

The World Bank estimated that nearly 3.6 million expatriate workers may be required in the Arab labour importing countries in 1985. (Algeria, Bahrain, Kuwait, Libya, Oman, Qatar, Saudi Arabia and the United Arab Emirates).^{24/} The Bank's estimates of the requirements under the broad occupational categories are as follows:

Professional and Technical	..	214.6	thousand
Other Professional	..	378.8	"
Technician	..	325.4	"
Other sub professional	..	166.0	"
Skilled office and manual	..	1,111.2	"
Semi-skilled, office and manual	..	869.8	"
Unskilled	..	550.3	"
Total		<u>3,616.1</u>	

According to the Bank, there existed in 1980 about 2.7 million expatriate workers in the above region, the net addition required during the period being therefore less than one million. From the data furnished in Tables 12 and 13 it would be obvious that given the chance, India would be able to supply this entire volume of migrants. However, the fact remains that the share of each country in South and Far Eastern Asia in this additional supply is being decided inter alia on the basis of wage competition among the different migrant-exporting countries the preferences on the part of the employer - agencies functioning in the Arab countries, and the political relations between the sending and the receiving countries.

Eventhough in terms of total numbers, India is in a position to supply readily from its pool of the unemployed the requisite number of migrants, it is likely that shortages of personnel with specific skills may arise from time to time. Even within the domestic economy persistent shortages of manpower in certain categories have been experienced. For instance, the state of Kerala is reported to have been experiencing shortages in the supply in a large number of occupations which include: Refractionist, Refrigeration Mechanic, Machine Operator (Harbour Engineering), Mines Foreman, Blood Bank Technician, Boiler Attender, Lanoratory Technician, Telex Operator, Punch Card Operator, Radiographer, Pharmacist, Electrician, Chemical Engineer, Agronomist, Veterinary Surgeon, Nurse, Midwife, and X-ray Technician. Most of these shortages are, it may however be noted, are for persons with significant work experience. Most of the training in these trades is being undertaken by private sector agencies since the government has not found it worthwhile to start institutions for training in them, and the excess demand for such personnel is not experienced in

In the case of foreign demand for skilled personnel, the government or other public sector agencies are almost entirely uninformed. There does not exist in the country or abroad any governmental agency to monitor the detailed manpower needs and their changes from time to time in the labour-importing countries. In this respect, as well as in others relating to migration, the Government of India and the State governments have been following a laissez-faire plicy.^{25/}

^{25/} Quoted by Ismail Serageldin and James Socknat, Migration and Manpower Needs in the Middle East and North Africa, 1975-1985, Finance and Development, December 1980, pp.32-36.

^{26/} The Ministry of Labour, Government of India, has lately decided to set up a panel to train workers who are going abroad for jobs, Panel for Training Workers Going Abroad, Indian Express, dated 14 June, 1983.

The costs involved in imparting training in the shortage categories of manpower are not likely to be high since there already exists a vast reservoir of unemployed educated persons who have qualifications of the level of matriculation and above, science and commerce and certificate and diploma holders at different intermediate levels of technicians.

The government of India has initiated a scheme of industrial training in all the different states with a view to catering to the need for trained and skilled workers in industries. Training is imparted in Engineering and non-engineering trades. This scheme does not envisage the supply of skilled manpower to countries abroad. However, a large proportion of persons trained in the Industrial Training Institutes find their way for employment in the Gulf countries. If the government had some arrangements to appraise itself of the future manpower needs and the possible changes in their composition from time to time, it could have designed courses and enrolled in them persons in adequate numbers sufficiently in advance to cater both to the domestic and the foreign requirements.

The impact of migration is to be expected in the wage structure of workers in short supply. We have seen that there does not exist, in general, shortages in most of the educated categories and in the category of skilled and unskilled workers. However, owing to the increasing flow of construction workers - particularly skilled masons and carpenters - and the rise in the domestic demand for them consequent on the house construction boom experienced in Kerala during the past several years, there exists in Kerala a dearth of these two categories. The rate of entry into the labour force of these two types of workers has lagged far behind the rate of increase in the demand for them. Consequently, the wage rates of skilled masons, and carpenters have increased at a much higher rate than those

of other workers, as may be seen from Table 14.

Table 14

Wage Rates of Carpenters, Masons, and Agricultural
Labour; Kerala, 1973-74 to 1983-84 (Selected Years)

(Wages in rupees per day)

Category	1973-74	1977-78	1981-82	1983-84
Carpenters (Agl. sector)	9.38	13.94	22.42	35.0
Masons (")	9.38	14.10	22.50	35.0
Field Labourer (Men)	6.67	8.67	12.74	17.0
Field Labourer (Women)	4.45	6.06	8.83	12.0

Source: For 1973-74, 1977-78 and 1981-82, Directorate of Economics and Statistics, Government of Kerala; for 1983-84, the figures are rough estimates and purely provisional.

A part of the rise in wages is of course due to rise in the general price level. However, in the case of skilled workers, inflation does not explain the entire increase. Similar increases have been registered in the wage rates of painters, plumbers, electricians and other technically skilled categories. Government policies of training persons in these categories are implemented through the Industrial Training Institutes, the capacity of intake of which is hardly being determined on the basis of forecasts of demand within the state or outside.

after clearance by the Protectors of Emigrants at the ports of embarkation on compliance with the formalities proscribed in the Act, including signing of employment agreements in standard forms proscribed by the government which stipulated the terms and conditions of employment of the emigrant and the employer in each case. These standard forms used to be revised from time to time in the light of the experience gained in disposal of complaints dealt with by the emigration Authorities.^{26/} Till 1964, all emigrants who were skilled workers had to travel abroad by sea. It was in February 1964 that the airports at Bombay, Calcutta, Delhi, and Madras were declared airports from which emigration for the purpose of skilled workers was lawful.^{27/} Even after such declaration, the majority of emigrant workers continued to go abroad by sea.

Till the year 1974-75, there existed only 5 regional passport offices in India located in the cities of Bombay, Madras, Delhi, Calcutta and Lucknow. For the thousands of intending emigrants the majority of whom lived in remote rural areas in the different states of India, it was next to impossible to obtain passports from the passport offices and clearance from the protectorates of emigrants situated in the few urban centres in the country.

As a result of the rising number of applications for passports from the Kerala State consequent on the opening up of Gulf countries for massive emigration, a new passport office exclusively to handle the application for passports from Kerala was opened in April 1974. However, this step was not of much help to the Keralites since the new passport office

^{26/} Report of the Ministry of External Affairs, Government of India, 1955-56, pp.33-36.

^{27/} Report of the Ministry of External Affairs, Government of India, 1964-65, p.65.

functioned not in Kerala, but in Madras.^{28/} It was only in 1978-79, that the new office meant for Kerala was shifted to Cochin (within Kerala itself). In that year, a second passport office was opened for Kerala in the city of Kozhikode. New passport offices were opened in some other cities (in other States) also during the same year. By 1979-80, the number of passport offices in India increased to 18.^{29/}

In the meanwhile, the government was adopting measures to ensure fair terms and conditions of employment for Indian workers abroad and to protect workers from exploitation both in India and abroad at the hands of unauthorised agents or their touts. The government accepted certain measures to rationalise the procedure with a view to helping the emigrants. Individual emigrants who obtained jobs through own efforts were allowed to emigrate on the completion of registration formalities without payment of the required security deposit. Two more embarkation points with air ports at Trivandrum (in Kerala) and Amritsar (in Punjab) were declared lawful for emigration in order to help emigrants from the states of Kerala and Punjab. Besides, the emigrants were allowed to secure emigration clearance from any of the notified embarkation points declared lawful by the government. The staff of the Protectorates of Emigrants were strengthened to enable them to grant emigration clearance to intending emigrants within 72 hours. Further, a round the-clock emigration check was introduced at important points of embarkation to see to it that the emigrants left the country only after obtaining the emigration clearance from the authorities. These steps, the government considered, helped in ensuring better terms and conditions of employment for Indian job-seekers.^{30/} Subsequent to the introduction of these measures, there was a substantial increase in the number of emigration applications received by the various

28/ Report of the Ministry of External Affairs, Government of India, 1974-75, p. 115.

29/ Report of the Ministry of External Affairs, Government of India, 1979-80, p.99.

30/ Ibid., p.65

regional protectorates.^{31/} However, in fact, the number that circumvented the government rules and smuggled themselves into the Gulf region has also been on the increase year by year.

Already by 1977, there existed large numbers of illegal immigrants from India in most countries in the Gulf region. Instances of the punishments meted out by the governments in the host countries came to the attention of the government of India. One such instance was that which happened in Oman. The government of Oman arrested 2500 Indian workers and marched them through the streets because they demanded of their employers payments and other facilities as agreed upon before recruitment. What they received for raising the demand were plodding the sand-swept roads and beating and fist-cuffs from the hirelings of the employer. Reports of clandestine agencies recruiting workers, which used fake passports and visa seals of foreign governments were also reaching the ears of the government.^{32/}

The government of India responded by asking all the recruiting agencies in the country to register themselves with it so that the multiplication of fake agencies could be curbed. The government also insisted that each agency should have a minimum bank balance of Rs.10,000.

Foreign firms seeking to recruit Indians had to go through these licensed agencies. Indian companies engaged in construction projects abroad were however not required to do so and were free to make direct recruitment. It was also laid down by the government that the recruiting agencies are barred from levying fees on candidates seeking jobs advertised

31/ Ibid., p.71

32/ Nitish Chakravarty, West Asia Lure: Protecting the Migrant Labour, Hindu, November 13, 1978, p.7.

by those agencies. When foreign governments approach the government of India for recruitment of personnel, the requests, be they for skilled or unskilled workers, are circulated to all the Employment Exchanges in the country. The lists of names sent up by the Employment Exchanges are supplied to the External Affairs Ministry which in turn forwards them to the Missions of the countries concerned. Some foreign governments utilise also the services of the recruiting agencies in India. In order to ensure that the Indian workers are paid according to the terms and conditions entered upon with them in India by the employers, the recruiting agencies are required to execute a contract specifying the terms and conditions of employment. The guidelines issued by the government of India (Ministry of Labour) also stipulated that the employers or their agents in India should offer to the Indian recruits salaries and perquisites on the same lines as are available to other men engaged in similar work. The Labour Ministry takes the help of the Indian Missions in the host countries to verify the bona fides of companies seeking to employ Indians. The Indian Missions are supposed to keep themselves posted with information about the different countries recruiting Indian labour for employment.^{33/}

These guidelines do not seem to have served their purpose satisfactorily. Clandestine emigration continues unabated. There are even reasons to suspect that the outflow of Indian workers through illegal channels has increased in volume in recent years. At present therefore there are four categories of Indian emigrants in the Gulf countries.^{34/}

The first category pertains to those who have gone illegally with work visas or are running business in partnership with Arab nationals.

^{33/} Ibid.

^{34/} Dilip Bobb, Chasing A Mirage, India Today, April 1-15, 1980, p.37.

In the partnerships, the Arab is, in most cases, a sleeping partner. In Dubai, the expatriates are allowed to run business even without Arab partnership. In this category are included professional workers such as executives of business, engineers, bankers, bureaucrats on specific contracts, businessmen, journalists and a vast army of clerical staff. The tenure and the conditions of work for this category of expatriates is relatively secure in the host countries. It is common with this category to bring their spouses and children also to the countries of employment, as the Gulf states allow persons with a certain level of salary and above to do so.

In the second category we may include persons who arrived in the Gulf states with regular and legal work visas but have left their original employer in search of better and more remunerative job opportunities. If they manage to get a new employment they may be able to get a new visa after cancelling their original labour card. Several companies in Kuwait and the UAE are reportedly engaged in this visa trade which has developed into a racket. For instance, if a company requires five workers, they obtain a block visa permit, say, for 100 persons. They then sell the extra visas at a price which ranged in 1980 from Rs.12,500 in UAE to Rs.18,000 in Kuwait. When the worker "buys" the new visa, he has to become a fresh entrant to the country for employment. For this purpose, he just leaves the country (UAE or Kuwait) for a few days for the neighbouring Bahrain and comes back with the new visa and earns the legal status.^{35/}

A third category, which is numerically very large, in the Gulf countries is that of persons who reached there on visitor's visas and

^{35/} The Minister for Labour and Social Affairs of the UAE stated on 31 August 1983 in Dubai that the corrupt practices followed by nationals and companies, of selling visas to foreigners who just come to the UAE and look for jobs, would be stopped and heavy penalties imposed on visa traders, firms which employ foreigners with illegal sponsorship and the foreigners who take visas from employers other than those with whom they had originally entered into agreement see report in Indian Express dated 1 September 1983

stayed on in the hope of earning their fortunes before they are caught and expelled

There are others who were even in the first instance illegal immigrants. They are the persons who had flouted all rules and regulations for emigration in India and reached the "promised land" through land routes or in dhows. Such persons are found in large numbers in most Arab States, particularly in the UAE, eking out a subsistence living by doing all kinds of odd jobs such as selling newspapers on streets and in market places and vending vegetables or nick-nacks.

We have noted in the foregoing discussion that stringent regulations are in force in India to oversee the process of emigration and to prevent illegal emigration. Recruitment can be made by foreign firms only through the licensed agencies in India; foreign governments should negotiate through the government of India; and only Indian firms abroad are allowed to make recruitment directly in India. The Protector of Emigrants is the custodian and authority of the entire emigration process.

Foreign private employers should give a power of attorney to its recruiting agent in India and also a demand letter showing the categories of personnel required, conditions of work, salaries, etc. which should be first seen by the Indian embassy in the country concerned. When this document is received by the recruiting agent, he obtains recruitment sanction from the regional protector of Emigrants concerned. Then the recruitment is done by the agent who finalises it with the employer. Meantime the visa along with the ticket is made available to the agent. Once the emigration is cleared by the Protector the recruit leaves the country.

It is also to be noted that all the agreements entered into between the employer and the workers are registered by the Protector of Emigrants

have to be in conformity with the labour laws in the country of immigration. The employers are also required to give return tickets to the recruits at the time of their emigration itself. The employers are required also to provide accommodation to the lower categories of workers.

The contracts originally entered into can be renewed if the employer has a continuous contract and the migrant worker is acceptable to the employer.^{36/} The government of India has laid it down that no fees of any kind should be levied on the persons seeking jobs advertised by the agents. This was done to put an end to the practice of the employment agencies prescribing an application fee of a rupee or two for applying for jobs in response to advertisements. Thus, in the eyes of law, enrolment for employment in the Gulf countries is absolutely costless for the emigrants. The practice however is far different.

Spurious recruitment agencies have mushroomed in all important regions of India from which emigration takes place on a large scale. All regions in the Kerala State and the cities of Bombay and Delhi report almost by the day dozens of cases of cheating of unsuspecting persons of thousands of rupees by such agencies and 'employers'. And the practice has been growing in spite of the passing of regulations and the tightening of measures by the government of India. Emigrants 'sponsored' by such unauthorised agents and imaginary employers play into the hands of ruthless contractors in the Gulf countries and are put to harrowing experiences of hard work, miserable working conditions and remunerations much less than they were promised while in India. We shall revert to these

^{36/} In Abu Dhabi a new rule has come into force recently which stipulates that at the expiry of one contract, the worker has to go back to his home country and may re-enter the same country only after the expiry of six months of the termination of the original contract.

conditions in a later section. Here we may examine the costs incurred by the emigrants in procuring passports, visas and emigration clearance and meeting the expenses of their travel.

"Extracts from a few reports on the exploitation of the candidates for emigration by 'agents' and 'employers', which have appeared in recent years are reproduced below in order to give a foretaste of the illegal trade in passports and NOCs.

1. "The enforcement of licensing formalities has not however deterred the unauthorised trek of job-seekers to West Asia. It is believed that at least a lakh (100 thousand) of skilled and semi-skilled Indians have left the country without proper travel documents and employment papers in the last year or so.

Such fortune seekers are now the prey of spurious recruitment agencies. The government knows as well as any one else that the ban on collecting a fee from job seekers is a mere eyewash. Every job costs the beneficiary between Rs.4,000 to Rs.10,000.

But even after paying such heavy price, many job seekers who unauthorisedly take an tent overland route via Kabul find themselves duped on arrival in Iran. The promised jobs never materialise and they end up in the nearest Indian Mission hoping to be shipped back home at government cost. Yet, the trek continues.

- Nitish Chakrovarthy, 'West Asia Lure: Protecting the Migrant Labour', Hindu, Monday, November 13, 1978.

2. "In Bombay, there are 90 travel agencies operating. But there are many unauthorised ones, collecting Rs.100 to Rs.300 for getting passport quickly.....

There were 75 complaints (last year) involving about 2500 persons, cheated by touts and other agents. In some cases appointment letters issued from West Asian countries later proved to be faked and forged ones. These papers were given to gullible people. Once they reached that place they were told that they had arrived late and the posts had been filled up...."

- V Venkataraman - 'NOC and Visa - at a price', Hindu, Monday, November 13, 1978.

3. "...In the matter of visas, difficulty is experienced except in the case of those who have relatives in the countries they want to migrate to. For getting a NOC to go to an Arab country, anything from Rs.4,000 to Rs.10,000 has to be paid. ...The cost of NOC varies depending on the type of job and the country, migrated to; for jobs in Qatar and the Arab Sheikdoms, it ranges from Rs.12,000 to Rs.18,000. For engineers migrating to Iran, Iraq or Saudi Arabia, where fabulous salaries are paid, NOC procurement costs Rs.25,000. The NOC markets operate mostly from Bombay through agents who are found every where (in Kerala).

- Trivandrum Staff Correspondent,
'Rocket in Visas and Certificates' Hindu,
Monday, November 13, 1978.

4. "The huge yellow sign states that the project is the proposed construction of 50 deluxe "villas". The site is situated in the heart of Dubai. Dwarfed by the forest of gigantic cranes and bulldozers, sprouts the construction camp - an ungalvanic row of clapboard shacks... The occupants are a mixed bag - two linguicled Malayalis, a pair of burly Sikhs from Jullundur and two masons from Rajasthan. They represent an accurate cross-section of the 200-odd labourers who were recruited for the project in India eight months ago.

The saga of their arrival portrays an all-too-familiar story. They were promised a salary of 1,200 dirhams (Rs.2,700) a month by a smooth talking individual named Mohan Patel. Patel is an employer of one of the largest recruiting agencies in Bombay... The prospective labourers were promised room accommodation and food with an opportunity of doubling their salary on overtime pay... All they were required to do was to pay a mere Rs.10,000 each to the recruiting agent. To a man, the 200-odd labourers sold whatever land and jewellery they possessed, immersed themselves in debt to the local moneylender, and joyously jumped on to the band wagon.

The bubble burst almost as the money was paid to the recruiting agent!...

- Dilip Bobb, 'Chasing a Mirage', India Today,
April 1-15, 1980.

5. "With acute shortage of passport books at the Cochin passport office, the going rate for a Passport was as high as Rs.500. The agents even see to it that the local MLA (Member, Legislative Assembly) has countersigned the passport forms. These agents are also peddlars in no objection certificates (NOCs) charging labourers travelling to Arab countries, an astronomical Rs.20,000. Said the State's Home Minister, Vayalar Ravi: "Travel agency businesses are the biggest rackets in Kerala. Police nab at least one fake NOC dealer a day".

Recently, at a three-star hotel in Trivandrum, interviews were held for carpenters, masons and drivers -- prospective labour for the UAE. The interview attracted hundreds of people who readily coughed up Rs.20,000 for the post. It was later found that the interview was conducted by a local travel agency man, dressed up as an Arab."

- Ashoka Raina, 'The Travel Bug', India Today, August 31, 1982.

6. "This happened recently to a young and aspiring U.P. (Uttar Pradesh) post graduate in Zoology from Aligarh Muslim University.

The riches of Saudi Arabia charmed him so much that he landed in that country on an agricultural labourer's visa on the express assurance that his sponsor would release him his contract soon after he landed there. Thereafter he would be free to look for a job of his choice in Saudi Arabia. He paid Rs.25,000 in lieu of this gratification, a greater portion of which went to his sponsor in Saudi Arabia.

"However all these promises proved a mirage... This however is not an isolated incident. Thousands of Indians... who have gone there after selling their valuables and small holdings, have fallen victim to the avarice of the "Saudi sponsors" and the indifference of Indian authorities.

The export of Indian manpower has become a thriving trade for several bogus travel agents and sponsors in Saudi Arabia and other Middle East countries, whose riches dazzle an average Indian worker, who, in his desire to get rich overnight, is blinded and does not bother to or cannot afford to verify the antecedents of his future employers".

- Faraz Ahmad, 'The Road to Desert Dungeons', Indian Express, May 22, 1982.

7. "All 29 of them, with Gulf dreams up their worn out sleeves, parted with a couple of thousands (of rupees) each nearly a year ago. Seena Missy (Christina D'Costa) and her father had received the money and she had taken the entire group to Bombay (on route to the Gulf, they were told). But after nine months of tough life there, they found their

way back sang money, hope and health. ...Christina is willing to sell her old house and land (27 cents) to pay off the Rs.2.35 lakhs she had collected from the Gulf fortune seekers... The group, including seven women, slept in the courtyard... and cooked in the premises. They do not propose to leave the house without money ... Two persons, candidates of Christina, managed to cross the waters, but they returned disappointed. Ismail paid Rs.10,500 for a job in the Gulf as a welder. But when he reached there they asked him to cut granite... Joseph, a mason who was doing well here knocked up Rs.12,000 to reach the much talked of El Dorado. Well, in that land, the Sheikh, his employer, entrusted him with his flock of goats. The foreign "goatherd" preferred penury in India and returned. K V Dominic is cursing the day he allowed his son Antony to fall for the foreign prospects. He pawned the neighbour's gold, took his entire savings and a loan also to pay the Rs.10,000 demanded.... The police cannot officially book her (Christina) because there is no evidence that she has cheated them of the money... A similar case in the recent past ended with the man in question being killed in Kaloor, Cochin. That the police must look helplessly for lack of evidence is a shame on our looking at things from the point of view of the law."

Prerna Mammothan, 'It was Nothing But Dreams',
Indian Express, May 27, 1983.

8. Gulf Job Racket: Police Inspector, 2 others held,
Bombay, June 25, 1983 (UNI)

'A Police Inspector and two partners of a travel agency here have been arrested on charges of conspiracy, cheating and forged documents to dupe people seeking jobs in the Gulf... Police told the court that the three had interviewed 190 job seekers in the premises of a travel agency at Munirka in South Delhi and "recruited" 127 of them for jobs in Saudi Arabia, collecting a sum of Rs.2.7 lakhs (Rs.270 thousands) from them. The accused had shown their victims forged travel documents including a "power of Attorney" which appeared to be attested by the Indian Embassy in Saudi Arabia, the police said."

- Indian Express, dated June 26, 1983.

TERMS AND CONDITIONS OF WORK ABROAD

The government of India has laid down rules and regulations for the recruitment of different categories of labour for employment in the Gulf region. The agencies authorised to make recruitments are: (1) Public Sector agencies (e.g. Overseas Employment Promotion Corporation of Kerala), and (2) Indian firms and Organisations engaged in consultancy or execution of works on contract or on sub-contract basis. The policy of the government of India in the recruitment of highly qualified experts is that such recruitment should be made on a government to-government basis. The interest of the Government of India was drawn in 1976 following receipt of numerous complaints about discrimination against Indian workers in the countries of employment in terms of wages and salaries, working conditions, security of work and welfare facilities. The burden of such discrimination was greater on the skilled and unskilled workers than on the highly qualified professional and technical personnel. Numerous complaints were pouring in on the miserable conditions of living of persons who had migrated with the help of unauthorised recruiting agencies using fake passports, visas and work permits. The large inflow of Indian workers without valid documents prepared to accept any kind of work on terms and conditions discriminating them against national and other Arab workers, enabled contractors and sub-contractors in the different Gulf countries to employ them on terms quite unfavourable to them. The government was also receiving complaints against the prohibitively high amounts that the poor aspirants for migration were made to pay to the unauthorised agents of recruitment.

The Labour Ministry of the Government of India has prepared a draft model agreement, see copy enclosed as Appendix. The foreign employers are required, according to the model agreement, among other

things, free passage to and fro, free furnished accommodation according to the status of work, free medical care, free transportation and other benefits. The employment contracts contain, in addition, provisions for overtime allowances, hours of work, terminal benefits, compensation accidents, etc.

In spite of such policy measures taken up by the Government of India, reports about discrimination against and ill-treatment of Indian workers appear in the press. For instance, India Today reported in April 1980 that, "it is accepted practice in the Gulf to pay a Westerner double the salary of an Asian, even though the Asian is employed in the same capacity. A British reporter employed in the UAE is paid twice the salary of an Indian reporter."^{37/} Stories of the employer violating with impunity the terms and conditions entered into in India by them with the emigrants on reaching the countries of employment have also been numerous. A typical report says:^{38/}

"Instead of the promised airfare, they were herded on board a rat-infested tramp steamer. Ten days later, they arrived in Dubai, were hustled off to the construction site and given their accommodation - the clap-board shacks.

"... As soon as they arrived their passports were taken away and they were brusquely informed that their salary would be 20 dirhams (Rs. 45) a day; they would work nine hours a day with no overtime and would have to pay for their own food. Naturally, items like fridges and electricity were not provided. Some 20 labourers protested and were sacked on the spot. They were not given their passports nor their air fare to return home, said Rooplal, employed on the site as a welder.

"After one month of back-breaking work, another group of 50 labourers quit in disgust and joined the swelling ranks of the illegal unemployed immigrants in the country...

"The remainder who decided to stick it out merely entered the vicious circle that constitutes a labourer's

^{37/} Dilis Bobb, op.cit., pp.34-42

^{38/} Ibid., pp.34-35

life in the Gulf. It is nothing but bonded labour, said T P Thomas, a labourer from Kerala. "We cannot leave because they refuse to return our passports and our work visas are for that particular company. If we protest we are sacked. The Embassy can do nothing, so we just have to suffer in silence.

Still another case of breach of contract is the following:

"In Abu Dhabi, capital of the UAE, a group of 51 Indians haunt the corridors of the Indian Embassy everyday... They were recruited in Bombay by a recruiting agency for a construction job. Their original contract stated that they would be on probation for a month and would be paid 1500 dirhams (Rs.2,950).

"They arrived by ship and were informed that their pay would be Rs.600 dirhams (Rs.1,350). They were given no accommodation and made to work from 7 a.m. to 11 a.m. without a break. They were told that there would be no weekly holiday, and semi-skilled and skilled workers would get no extra pay. After a week of working till late at night and sleeping on the streets, they protested en masse. The Indian overseer on the project... sacked them on the spot and refused to return their passports or send them home.

..."We have lost all our life's savings to pay the recruiting agent" said Gardip Singh, a mechanic by trade and one of the original group of 51. "Complaints to the police have been of no avail. The Labour Office fixed the case hearing for March 17, but the owner of the company declined to show up, and there the matter rests."

Reports as the ones cited in extenso above show that workers entering the Gulf countries through authorised recruitment channels after executing work contracts with their prospective employers, are denied the terms and conditions promised to them. The workers recruited on group NOC basis, being mostly poor persons with little educational qualifications and world experience lack the knowledge and the wherewithal to assert their rights with the employer. Immediately on arrival on the foreign shore they have to sign up agreements with the employer, the contents of which remain totally unknown to them being written entirely in the Arabic language. The employers take away from the workers their passports and visas - which by law the employers are permitted to do - and the workers

are dictated terms and conditions of work which shatter their dreams of a handsome income and congenial working conditions they had been promised by the recruiting agent at home. Complaints made to the Indian Embassy often prove useless. Further, the very information that the worker has sought the intervention of the Indian Embassy is reason enough for the employer to harass him further with more hours of work, less wages, and more vexatious conditions of work. In any case, the Indian Embassy's intervention does not come to their rescue since the employer has in his favour the employment contract in Arabic got signed by the worker and the near-absence of labour laws which permit wage bargaining and trade union activities, in most Arabian countries.

Variations in the wage contract entered into in India are not confined to the case of workers migrating on group NOCs. Nor are they limited to payment of lower wages than those agreed to in the original contract signed in India. The jobs that some of them are really asked to do happen to be ones for which they had never bargained. Persons who were promised the job of an electrician are put to the work of an ordinary unskilled labourer. According to a report published as recently as May 25, 1983, the government of India received 274 complaints between October 1981 and March 1982 pertaining to "wide variety of subjects including cheating by recruiting agents, substitution of contracts and poor working and living conditions."^{39/}

^{39/} 'Migrant Workers Complain of Ill Treatment', Indian Express, dated 25 May 1983.

STRUCTURE OF WAGES AND CONDITIONS OF WORK ABROAD FOR INDIAN WORKERS

Wage and salary levels of different occupations in West Asia are not determined by the direct operation of the market forces of supply and demand. "The Gulf governments can decide how many migrants to admit, what qualifications they must have, how long they can stay, what wages should be paid, what rights and benefits should be provided, and whether they should be imported from India, Pakistan, other parts of Asia or from Arab countries... For all practical purposes, the power to regulate is primarily in the hands of the labour importing, not of labour-exporting countries."^{40/} In each of the labour-importing countries itself, wage levels offered to the workers for the same job have been constantly fluctuating depending on the countries of their origin, the economic status and wage policies of the employing agencies, the trend in the wage levels having been however continuously downward. In addition, there exist differences in wage and salary levels among the Gulf countries themselves. For example, the highest levels of wages among the countries in this region are those prevailing in Saudi Arabia, Kuwait, and Bahrain, the next in order comes UAE; Oman is supposed to be paying wages and salaries at roughly one-half the rates obtaining in general in the rest of the Gulf countries. Above all; the readiness shown by Asian emigrants belonging to the different countries to accept lower and lower wages in order to gain larger employment opportunities is a factor that has worked against all of them.^{41/}

Myron Weiner, op.cit., pp.7 and 8

1/ "Over the past year, thousands of workers from the Philippines and Sri Lanka have been brought in to replace Indians and Pakistanis... The Sri Lankans, Koreans and Filipinos agree to work for next to nothing", Dilip Bobb, op.cit., p.36

Published data do not exist on the wage structure of Indian workers employed in the different Gulf countries. There occur stray reference to wage levels of Indians workers in a few of the studies made in the Arab countries on migrants and in the press reports. We present in Table 15 the information gathered from such sources and in consultation with recruitment agencies.

Table 15

Wage and Salary Levels of Indian workers in the Middle East (excluding food, accommodation and medical aid)

		<u>Wage/Salary</u> <u>range</u> (Indian rupees per month)
Doctors, Engineers, Management Experts, Technologists, Scientists	(specialists with post-graduate degrees and experience)	10,000 20,000
Manager, Administrative Officer and Supervising personnel		7,000 10,000
Engineers, Technicians (Diploma Holders)		8,000 10,000
Nurses		5,000 10,000
Clerks		3,000 7,500
Typists, Stenographers		3,000 7,500
Accountants		3,000 7,500
Skilled workers: Masons, Carpenters, Locksmiths, Welders, Plumbers, electricians, mechanics, machinists, Drivers, Laboratory Technicians, Radiologists, Radio mechanics, Painters, Telephone/Telex operators etc.		3,000 7,500
Semi-skilled workers -do- (Helpers)		2,500 5,000
Unskilled workers (construction)		2,000 4,000
Office attenders, office boys		1,500 3,000
Ayats, nannies, housemaids		1,000 3,000

(In addition, workers in most categories get overtime allowances also)

Work and Living Conditions for the migrant abroad

Expatriates from Asian countries working in the Gulf region are a part of its economy, but do not enjoy rights of political or social participation. They live in their own social enclaves, cannot obtain citizenship, own property or join trade unions, have restricted access to social benefits and are excluded from participation in the political system.^{42/}

Since labour legislation and administration as well as social security institutions are not yet fully developed in most countries in the Gulf region, the work and living conditions of the Indian workers - as well as of other expatriate workers - depend on the nature of employment agreements entered into by them with their employers and the honesty and integrity on the part of the employers in respecting the terms and conditions of the agreements. Even in cases in which the employers violate the terms, say by giving wages lower than those stipulated in the agreements, putting workers to overwork, denying overtime allowances, providing inadequate accommodation, denying free or subsidized food, or even cancelling the visa before termination of the period of the contract, the workers find it useless, and sometimes beyond their means, to approach the labour courts of the countries concerned.

In general, however, the workers with valid passports, visas and work permits and employed by well-established and large firms, and by the governments directly in their own services, receive wages which are several fold higher than those they might receive in India for similar work in addition to free or subsidised housing facilities, food and

^{42/} Myron Weiner, op.cit., p.4

medical care.^{43/} Workers are able to save a large part of the wage income since in Gulf region, opportunities for costly entertainments such as bars and gambling houses are nonexistent. The prices of consumer durables are much lower than in India.^{44/}

The fear of repatriation lurks in the mind of every Indian migrant. Indians know fully well that their stay and work in the countries of their employment are purely of a temporary nature and that they could hardly expect from the Government of India any protection against mistreatment by the host countries.^{45/} Within these constraints however, the Indian community, particularly the Middleclass migrants, are putting in their best efforts to develop for themselves an atmosphere for community life. Sports clubs, schools, literary and debating associations, film societies, libraries and reading rooms and centres for other cultural activities have sprung up in dozens in all the Gulf countries. Perhaps, Saudi Arabia is one major exception where the government does not allow the non-Muslim migrants even to take with them books on religion. Other countries have shown some tolerance in permitting the migrants some degree of religious freedom. For instance, the Government of Kuwait has allowed the construction of a large church for worship for the Catholic Christian community. Other governments in the Gulf region have also given permission to Christian churches to function. Hindus have had only lesser opportunities for building their places of worship in these countries till very recently. The two temples - the 100-year old Balakrishna Temple located near the South (market place) in Bahrain, and

^{43/} Recent reports indicate that the UAE have discontinued the system of free medical facilities to expatriates. The prohibitive cost of medical care has compelled many expatriates to send back their families.

^{44/} Myron Weiner, *op.cit.*, p.6.

^{45/} Weiner points out that 'India is dependent upon the Gulf oil exports, employment, remittances, contracts, and for the good will that it seeks as a counterweight in its relations with Pakistan. The Indian
contd.

the new temple permitted to be constructed near the palace compound of the Sultan of Oman in Kuwait are more in the nature of exception than the general rule in the Gulf region.^{46/}

Not only that the Indians live an enclave social life, they have serious complaints of discrimination and contempt as well. Some of these complaints might well be unfounded, for instance complaints about discrimination on the basis of skin colour. Westerners such as citizens of USA and UK are usually paid the salary at much higher rates than are paid to Indians for the same job. The discrimination cannot be attributed to colour since Indians who are naturalised citizens of such Western countries also receive salaries equal to those paid to other Westerners. The sources of such discrimination have to be sought to other political, historical and economic ties that the West Asian countries have with the Western world. Indians have also complaints about contempt shown towards them by the nationals. Indians, it is alleged, are considered the "ABC of the Gulf, ABC standing for Ayah, Barbar and Cook. The contempt¹ is not undeserved since in these fields the Indians predominate.^{47/}

Contn. of footnote No.45

Government is thus willing to tolerate conditions for Indians in the Gulf that it would not tolerate for its citizens elsewhere, and its interventions on their behalf are likely to be in a subdued and less public fashion', Ibid., p.13.

46/ Ibid., p.6-7

47/ Dilip Bobb notes that "In Kuwait, for instance, every prominent Kuwaiti from the Emir downwards has at least one domestic. They either come from Kerala, Maharashtra or Goa. The overall result is that most Indians are looked down upon by Arabs." Dilip Bobb, op.cit., p.38.

Further, despite all such complaints, the trek towards the Gulf for such 'slave' occupations is on the rise both through legal and clandestine channels.^{48/}

In the context of a continuous flow of emigrants to countries in West Asia and the widespread complaints among Indians about mistreatment, underpayment, discrimination and contempt by the employers and the Arab nationals, it is with the sole device of the Employment Agreement that the Government of India has endeavoured to ensure fairness in the process of emigration and in the work and living conditions of the migrants abroad. Several South and South East Asian countries have centralised monopoly institutions for recruitment of candidates for employment abroad. India has no centralised recruitment agency. In some a few States including Kerala and Orissa have Overseas Employment Development Corporations. There are also a large number of other public sector agencies recognised by the Government of India as recruiting agents such as the Beas Project Employees Welfare Society (Himachal Pradesh), Caltex Oil Refining (India) Limited Bombay, Madras Fertiliser (Tamil Nadu) Bridge and Roof Company (India) Ltd. (West Bengal) and Water and Power Development Consultancy Service (India) Ltd., (Delhi). The number of emigrants sponsored by the State Corporations and other public sector agencies forms only a tiny proportion of the total number. For instance, the Overseas Development and Employment Protection Consultants Ltd., of the Kerala State formed in 1977 has deployed only 1441 persons in the different foreign countries as by the end of December 1982. Almost the entire process of recruitment is therefore handled by the thousands of private recruitment agencies, both authorised and unauthorised, spread out among all the States in India, but mainly in the States of Kerala,

^{48/} "Five sub-inspectors were suspended from active duty... in connection with what is now known as the slave trade between Bombay and West

Maharashtra, Gujarat, Punjab and Andhra Pradesh.

If India has to ensure fair work and living conditions to its citizens, it may have to control the flow more effectively than till now, ensure that only persons with valid passports and visas and who have entered into employment agreements cleared by protectorates of emigrants concerned are allowed to migrate. It should also see to it that the terms and conditions agreed upon in the contracts made in India are respected by the employers and the governments in the countries of employment.

A method to ensure fair deal by the employers abroad adopted by Hongkong government seems to be an innovation in this respect. The method is one of getting an underwriting by a national permanently resident in the country of origin for the work and living conditions that the emigrants will be offered by the employer in the host country. The guaranter has to repair to the worker all the losses and damages caused to him by failure on the part of the employer to respect any of his obligations to the worker agreed upon in the contract. In case the Government of India insists that the recruiting agent should stand guarantee for the employer,

Contn. of footnote no. 45

Asia. Thousands of men and women had already entered the Gulf countries with false visas and forged emigration endorsements when surprise police check uncovered this racket.... Investigations reveal that these policemen were hand in glove with reputed recruiting agencies in sending a flow of illegal migrants into the Gulf. The charge for visas and emigration endorsement varied between Rs.12,000 to Rs.15,000... The surprise check on Saudi flight No. SV338 revealed seven passengers travelling on forged in endorsements. According to police officials, most of these migrants would not have had a job waiting for them after landing in Saudi Arabia. However, certain influential men in Saudi Arabia had evolved a scheme for using these "slaves" as unskilled labour and make quick money. The minimum wages for an unskilled worker in Saudi Arabia is 1200 rials (about Rs.3000). The same job is offered to the helpless job seeker for 200 rials. Take it or go back to the unemployment that awaits him, back home, the job seeker invariably succumbs to this kind of black mail", Gulf 'slave' trade: 5 cops suspended, Indian Express dated August 27, 1983.

it is possible that a large proportion of the complaints of mistreatment could be avoided. However the question remains whether any recruiting agency would be in a position to do that in a highly volatile employment situation which obtains in the Gulf countries, in view of the practical and legal difficulties that the agencies would have to face in recouping the damages paid to the employees and against the fact that the financial strength of most of the private recruiting agencies is nominal. However, it appears that some degree of discipline and orderliness has to be put into the whole recruiting procedure. The government of India announced a few months ago its decision in the Indian parliament to introduce legislation for streamlining and regularising the recruitment procedure of Indian emigrants to Gulf countries. The promised legislation is still awaited.^{49/}

Guarantees obtained from national, permanently resident citizens even if feasible, would solve only part of the problem. One of the disturbing tendencies in the job markets in the Gulf countries, particularly since 1975, is the serious competition and suicidal undercutting of wage rates, among the migrant-sending countries of south and south east Asia. It is high time that all these countries come to agreement on the level of minimum remuneration for specific types of works in the different host-countries below which their nationals would not be allowed to take up employment. In the absence of such agreement, the attractiveness of jobs in the Gulf countries is bound to fade away soon and the work and living conditions there to deteriorate progressively.

^{49/} "Indians in the Gulf countries are Safe," Report of a speech made by the Minister for External Affairs, Government of India, Kerala Kaunadi dated 19 April, 1983.

It should also be possible for the Asian countries to enter into standard migration agreements with the labour-importing nations of West Asia. Such standard inter-state agreements would do away with the need for looking into each and every employment agreement entered into between individual employers and workers and ensure prescribed minimum working and living conditions to all the migrants irrespective of their regions of origin and the agencies under which they are employed.

It is well-known that in the Gulf region, migrant workers from Asian countries receive wages at rates much lower than those paid to Arabs and to Westerners. Such discrimination is strictly at variance with the spirit of ILO standards and natural principles of justice. "Equal pay for equal work" is a criterion accepted by the modern world. A coordinated effort by Asian countries may be expected to minimise the differences in wage rates and working and living conditions, as well as welfare facilities that exist as between workers belonging to different nationalities, races and religions.

Instances of employers in the Arab countries terminating the services of workers without valid reasons acceptable according to international labour laws, are also numerous. A joint and coordinated effort on the Asian labour-exporting countries might be able to discourage this practice as well.

Social and Psychological problems of the migrants abroad

The social and psychological problems of migrant workers emerge from a variety of factors: insecurity of job, discrimination in wage and salary levels, isolatedness from the social life of the countries of employment due to their residence in places of work situated in desert 'enclaves', lack of opportunities and avenues for entertainment (except

in Bahrain), the inability on the part of the majority of Indian workers to bring their wives and children to the countries of employment, poor accommodation facilities, inhospitable and enervating climatic conditions, restrictions on seeking alternative employment opportunities, and the arrogance and contempt with which the new generation of educated Arabs treats the Indian (and other Asian) migrants.^{50/} In sum, the problems are the problems of being a total outsider facing a future full of uncertainties. Their lives in the Arab countries have become increasingly tension-ridden in recent years due to their awareness that the Gulf bubble has burst and that their massive repatriation is imminent.

Possibilities of and problems in renewing Contract

The expectations on the part of the Indian migrants to continue for extended periods in employment in the Gulf countries vary from one occupational group to another. They are stronger among middle class migrants employed in private sector firms in industry and business.^{51/}

^{50/} "The new - Arabs sporting the kind of arrogance that only excessive wealth can breed, use the word "Hindu" (a catch all phrase that lumps together all Asians) like an epithet... Most Arabs have acquired a superiority complex." See Dilip Bobb, op.cit., p.41.

^{51/} "Indians are employed as factory workers, department store clerks, hostel staff, engineers for oil companies, bank officials and in clerical jobs for business. These private sector jobs are among the most prized, not only because the wages are good but also because they provide opportunities for staying in the Gulf for an extended period", Weiner, op.cit., p.8: "The category which includes executives, engineers, bankers, bureaucrats on specific contracts, businessmen, journalists, and a vast array of clerical staff, is comparatively secure", Ibid., p.37.

Employment in government has less job security than employment in the private sector since the Gulf governments have decided to man their government services with Arabs.^{52/} However, it may take a few years before this policy becomes successful since the effects of education take time to materialise.^{53/}

It is the employment of construction workers - both skilled and unskilled - that is highly at stake. Among the Asian expatriate workers, these categories form the largest proportion. In case the construction activities had continued at the pace at which they were taking place, these categories of workers would not have any serious problems of job-security. The Gulf countries had in the past permitted the repeated renewal of work contracts for as long a period as the employers required the services of the migrants.

Even in cases in which the original employers did not require the services of the workers beyond the period for which they had been imported, the workers used to be permitted in the countries of employment to seek work opportunities with other employers. The new labour law passed in the UAE in 1979 put an end

^{52/} "At the Gulf Labour Ministers' Conference in December 1979, there was a collective call for 'Arabisation' of the region, which meant that future employment should be confined to Arab nationals... the employment of Indians and Pakistanis has slowed down considerably and they are being replaced by Palestinians, Egyptians, Syrians and Iranians", *ibid.*, p.36.

^{53/} "Yet the lags inherent in producing graduates will preclude any dramatic improvement in the share of nationals in high-level and middle-level employment until some time beyond the mid-1980's. Over the longer term, of course, these investments in education will have an effect on the labour market" Ismail Serageldin and James Socknat, *op.cit.*, pp.33-34.

to this freedom by preventing all foreign workers from changing their jobs unless they leave the country for a year. This law was passed with the object of wiping out the pool of casual, floating, unemployed labour - of workers whose period of contract was over but did not return home. Reports indicate however that immigrants from Asian countries, particularly from India, roam the streets of Dubai, Abu Dhabi and Sharjah in search of jobs. They do so in constant fear of being caught by the police, sent to jails or deported straightaway. The numbers of unemployed Indian workers hunting work permits are reportedly high in Saudi Arabia also.

An interesting practice of exploitation of migrant labour seems to exist in Bahrain, of Bahraini employers allowing their workers to take up jobs under other employers in return for a kickback on wages.^{54/} The expatriate worker does not complain since he knows that once he antagonises his employer, he loses his job and right to entry into the labour market.

With the passing of the new law making it necessary for expatriates to return home once the period of his work permit is over, the number of returnees has increased. However, most of such returnees manage to secure new NOCs and emigrate again after a stay at home for the minimum period required as stipulated in the law of the host countries. This has been possible till now since, much in contradiction with the predictions made by study teams, the pace of construction activities already taken

^{54/} "Bahraini employers wishing to import expatriates must obtain No Objection Certificates (NOCs) and work permits from the Labour Department. Some Bahraini employers then permit their workers to take up employment with another employer in return for a 10 per cent kickback on wages. One Bahraini, it is said, collects 10 per cent from 50 to 60 expatriates each month. Some employers may also take kickbacks from their own expatriate labour, by paying a lower wage than is provided by the contract". Weiner, op.cit., fn.26, p.34.

up was being accelerated in some of the countries in the Gulf region.^{55/} But this, at best, can be only a temporary phase. The possibilities of renewal of NOCs and even those of obtaining them for the first time are likely to come down steeply for construction workers in a matter of a couple of years or so - particularly in the UAE - when most of the construction activities already taken up will have been completed.

The trends of demand in the past for Indian workers in the Gulf region were highly in favour of skilled and unskilled workers for employment in construction activities. In the years to come, when the construction phase will be over, and the new industries and services sector establishments are launched, the composition of demand is likely to undergo significant changes. Besides, there has always lurked in the minds of the authorities in the Gulf region a fear of increasing dependence on expatriate labour. As a result these countries have been trying to introduce labour-saving devices by switching on to more capital-and, technology-, intensive methods, wherever possible. Several avenues of employment are earmarked for Arab nationals. The significant change in their policies of using expatriate labour, introduced in 1975, which made it possible for Asian migrants to enter those countries in large numbers, arose primarily because of a shortage of Arab labour. These countries have decided among themselves on a plan of 'Arabisation' of employment to the maximum extent possible.

^{55/} "The Labour Minister said India was facing stiff competition from Bangla Desh, Pakistan, Sri Lanka, Thailand and even South Korea. However, according to his information, the Indian labour had not been affected by the current recession in West Asian countries since they were keen on completing the on-going projects". Indian Express dated 13 August, 1983.

It is against this background that one should consider the possibilities of continuance of the flow of migrants from Asian countries and the likely changes in the composition of that flow.

In future, therefore, the demand for skilled and unskilled workers for expatriate employment in construction activities is likely to come down steeply. The World Bank study made in 1979 has indicated that the requirements of expatriate labour in 1985 will be heavily concentrated in the categories of high level manpower such as Professionals and Technicians and skilled and semi-skilled workers.^{56/} In the group of skilled and semi-skilled workers, a larger proportion is likely to be composed of operatives in manufacturing industries and workers in service sector establishments than

^{56/} According to the World Bank, the distribution of the expatriate manpower in the eight labour-importing Arab countries (Algeria, Bahrain, Kuwait, Libya, Oman, Qatar, Saudi Arabia and the UAE) during 1975, 1980 and 1985 are likely to be as shown in the Table below:

Manpower Requirements by Occupation in the Eight Labour-Importing Arab Countries, 1975, 1980 and 1985

Occupation	1975 (thous- and per- sons)	Per- cent	1980 (thous- and per- sons)	Per- cent	1985 (thous- and per- sons)	Per- cent	Increase in requirements in 1985 over 1975 (thousand persons)
Professional & technical	67.9	4.09	145.4	5.47	214.6	5.93	69.2
Other, Profession- al	134.0	8.07	255.9	9.63	373.8	10.40	429.9
" Technician	76.8	4.62	211.1	7.94	325.4	9.00	144.3
" Sub-profes- sional	55.4	3.33	124.0	4.67	166.0	4.59	42.0
Skilled, office & manual	425.8	25.63	822.7	30.95	111.2	30.73	280.3
Semi-skilled, Office & manual	471.6	28.39	606.9	22.33	869.8	24.05	262.9
Unskilled	429.7	25.87	492.0	18.51	550.3	15.22	51.3
Total	1861.2	100.0	2650.0	100.0	3616.1	100.0	950.1

Source: Ismail Serageldin and James Socknat, op.cit., p.35

persons for employment in construction activities. Advertisements appearing in recent months in Indian newspapers put in by recruiting agents on behalf of employers in the Gulf countries are evidence to the shift that is taking place in manpower requirements. The demand is now mainly for managerial, professional and technical personnel and for workers with most modern multiple skills (such as mason-cum-mixer, welder-cum-driver) and significant work experience. Computerisation and automation are also revolutionising the composition of demand for labour in the Gulf region.

The process of reducing the number of construction workers has already started in the Middle East. According to the Minister for Labour and Social Affairs of UAE, the demand for unskilled labour in the UAE is likely to come down to nil by 1985 while the need for skilled manpower to operate industries, power stations and petroleum companies would grow. According to him, most construction projects were likely to be completed in about two years thus ending the construction boom that began in the mid-1970's.^{57/}

The trends in the composition of demand for workers for the different occupations have significant implications for the educational--manpower training - emigration policies for the labour-exporting Asian countries.

^{57/} 'Gulf will need more skilled manpower', Indian Express dated 1 September 1983.

VII

SAVINGS AND REMITTANCES

The major attraction of employment in the Gulf countries on the part of all occupational groups is the possibility of saving a substantial proportion of their annual earnings, this inspite of the fact that costs of living are also high in these countries. The migrant workers are not seriously affected by the prevailing levels of cost of living since they are entitled according to the provisions of the employment agreements, to free or highly subsidised housing, food, transportation and medical facilities.^{58/} The near absence of costly items of entertainments such as bars and gambling houses and the low cost of petrol, and several times of consumer durables are also factors which enable migrant workers to save a substantial proportion of their earnings. The incentive to save is also great, particularly among those in middle and low level occupations, since most of them must have bought employment at formidable prices, incurring debts at home or selling out property and jewellery. Besides, every Indian migrant worker is constantly aware of the fact that his employment in the Gulf countries is purely of a temporary nature and that his work permit may be cancelled any moment. Above all, the migrant worker sees the employment in the Gulf countries as perhaps his only chance to accumulate enough to purchase some land, construct a house, educate his children, marry away

^{58/} Free medical facilities are not any more available in the UAE. The Federal National Council of the UAE approved a draft law in May 1983 abolishing free medical services provided by the Government. Indian Express dated 15 May 1983. The draft has been passed into law and the UAE has become the first Gulf region to charge for all kinds of Government-run medical services.

his sisters and daughters and save funds with which to start some independent career at home on repatriation from the Gulf countries. There do not exist however any legal compulsions on the migrant worker from India to save out of his earnings or send this savings home.^{59/}

According to knowledgeable sources, expenditure per months of an average emigrant in the Gulf countries may not come to more than Rs.500. If this figure is approximately correct, then an average Indian worker would be in a position to save not less than Rs.2000 per month. There may exist wide variations among the migrants in the amount of their savings because their income levels extend over a wide range. However even the most unskilled and the most low paid workers reportedly remit about Rs.1000 per month.^{60/} Whether this much of his income is in fact saved or not can be ascertained only by detailed enquiries. Cursory interviews made by Weiner with workers have revealed that they send to India about one-third to one-half of their income.^{61/}

These figures would obviously apply only to migrants who work with valid work permits and on the same terms and conditions stipulated in the employment agreements entered into in India between them and their employers. The large number of Indian migrants living without work permits, or are employed on 'kickback' terms with Arab employers, or are working at much lower wages than were agreed upon in India, or just carrying on odd

59/ Some other labour-exporting Asian countries have clauses incorporated into the employment agreements which stipulate that the worker should save and send to his country of origin not less than a specified proportion of his foreign earnings. In South Korea the proportion is as high as 80 per cent; Pakistan prescribes a savings proportion of not less than 50 per cent.

60/ Weiner, *op.cit.*, p.15

61/ *Ibid.*, p.6

jobs to earn a meagre living (like washing cars, or selling peanuts on streets, etc.) would be saving precious nothing at all. Some of them might have spent their entire savings to purchase in the Arab countries new visas on payment of a price to employers or their agents. In such cases, the proportion of savings would be low and the remittance home out of such savings nominal. There may be even cases in which no remittances at all are received by their families in India.

Whether all the savings are transferred to India or deposited elsewhere depends, inter alia upon the employment status of the workers. For ex-employees in high level occupations drawing salaries above a minimum level stipulated by the governments concerned, the urge to transfer all their savings home may be much less because they are permitted to take their families to the countries of their employment. Besides, their chances of continuing in employment in the Gulf countries are much less uncertain. Further, on termination of employment in the Gulf region they may like to migrate to other countries, say, in the West, where they may hope to secure jobs on the strength of their special qualifications, skills and experience. Such categories of persons therefore send home, if at all, only a small fraction of their savings for maintaining their dependents, or in the form of gifts for friends and relatives. The rest of the savings is usually deposited in Western banks.

Thus, we may not be far of the mark if we say that it is the middle level employees and the skilled and unskilled workers who save the maximum out of their earnings and transfer their savings home by way of bank remittances or money orders or in the form of cash, jewellery and consumer durables during their home visits.^{62/} In other words, there does

^{62/} A considerable number of expatriate Indian workers - particularly those from Kerala - used, in the recent past, ^{to} ~~part~~ ^{to} ~~take~~ ^{carry} of their savings which they would take home personally on home visits or casual leave, in exchange firms some of which were run by Keralites. The major agencies

not possibly exist much of a difference between actual and potential remittances so far as this category of workers is concerned. In the absence of any studies conducted in the countries of employment on the levels of earning and savings of migrants, it is not possible however at the moment to present estimates of these magnitudes.

Remittances

There is widespread recognition in India among government authorities and banking circles that foreign remittances have been rising at an unprecedented rate in recent years. Evidently such an increase has to be attributed mainly to remittances from the Gulf states and Saudi Arabia since Indians living in other parts of the world send in general only a tiny proportion of their savings in India. Bulk of their savings are kept in Western banks. This is natural mainly for three reasons: one, most migrants to other countries - particularly to the UK, the USA and Canada as well as to countries in Europe and Africa - have taken their spouses and children along to the countries of their employment; two, the migrants to such countries mainly consist of persons with high educational qualifications and experience and have developed the banking habit; and three, most of them have chances of settling down in the countries of immigration and would not therefore require to transfer their savings to the home country. On the other hand migrants to the Gulf countries are purely temporary migrants, most of them have not taken their spouses and children to the countries of employment, and they are predominantly persons with little educational qualifications and knowledge of banking practices.

contn. of footnote no. 62/

for the expatriates to deposit in such firms was the high rates of interest they offered. Following the collapse of a few such exchange firms in the UAE, a large number of Indians lost their hard-earned savings. The Gulf Governments have in recent months taken several steps to control the functioning of exchange banks.

Indians migrated in large numbers to the UK, the USA, Canada and to the African countries for employment as teachers, doctors, engineers and nurses during the 1950's and the 1960's. These streams of emigration have not dried out except that to the UK.

Such emigration did not result in any substantial increase in the transfer payments in the balance of payments accounts of India till the early 1960's. For instance, the private transfer payments in the current accounts in the balance of payments of India which stood at Rs.408 million in 1950-51 had only marginally risen during the 1950's and reached Rs.449 million in 1960-61. By the end of the 1960's (say in 1970-71) it increased to Rs.1,364 million. Bulk of the increases could be due to remittances by migrants abroad, including migrants to the Gulf countries since the flow to that region began on a sizeable scale from the beginning of the 1960's, but it also included unilateral transfers like maintenance remittances, receipts of Missionaries, and in addition credits in lieu of contra-entries for imports from the USA under the PL 480 (Titles II and III) programme. Disaggregation of the amount under Private transfers into migrants' home remittances and the other components is however not available. An indication of the magnitude of the contra-entries for imports under the PL 480 is given by the difference between the amounts of transfer payments published by the Government in its annual Economic Survey and the RBI figures.

The credit side of the balance of payments (current accounts) under private transfer payments was steadily on the increase during the 1970's. As our preceding discussion indicated, it was from 1975 onwards that Indians began to flow in very huge numbers to the arab countries, due to the emergence of a great demand for Asian labour, when Arab labour was found far too inadequate to man the peak phase of the development

projects that the Arab countries had begun during the early 1970's. Consequently we find a sudden jump in the amount under private transfer payments to India from the year 1975-76. The increase has continued during the subsequent years as well. Unfortunately, figures have not so far been made available by the Reserve Bank of India for the years 1981-82 and 1982-83 on the transfer payments. The latest year for which data are available is 1980-81. We present in Table 16 the amounts under private transfer payments published by the Reserve Bank. The Table also shows the amounts received under this head from the Sterling area which includes the Gulf countries (but excludes Canada and New Foundland), along with the rest of the commonwealth countries. Since remittances from the rest of the Commonwealth countries would not have increased significantly, the increase shown under this item would broadly reflect the increase of remittances from the Gulf countries.

Table 16

Receipts under Private Transfer Payments (Current Account of
the Balance of Payments): India, 1950-51 to 1980-81

Year	Receipts under private transfer payment (RBI figures) (Rs. million)	Receipts under Private transfer payments from the Sterling Area (RBI figures) (Rs. million)	Column (3) as % of column (2)
(1)	(2)	(3)	(4)
1950-51	408	355	87.0
1960-61	449	320	71.3
1970-71	1364	372	27.2
1971-72	1622	571	35.2
1972-73	1653	458	27.7
1973-74	2033	763	37.5
1974-75	2799	1108	36.0
1975-76	5412	2481	45.8
1976-77	7457	3452	47.5
1977-78	10293	6157	59.8
1978-79	10593	6075	57.3
1979-80	16320	9784	60.0
1980-81	22688	15286	67.4

The Table shows a sharp break in the trend of remittance after 1974-75. In 1950-51, when the bulk of the migrants from India lived in the UK and other commonwealth countries, the sterling area accounted for 87 per cent of all the receipts, under private transfer payments. With the increase in the migration flows to non-sterling areas the percentage share of the sterling area declined to nearly one-fourth of the total remittance in 1972-73. Since then, presumably with the beginning of the large scale flows its percentage share began to increase and by 1980-81 accounted for more than two-thirds of all the receipts of the country under private transfer payments. It is doubtful whether this percentage share has been maintained in 1981-82 and 1982-83 since the Government of India refers to a decline

in remittance and has expressed apprehension about it in its latest Economic Survey as due largely to a large return flow of workers from some important countries and because of a slow down in economic expansion in most West Asian oil-surplus countries.^{63/}

The inflow of remittances should be expected to have increased the bank deposits in the different States in India from which the volume of emigration to the Gulf states has been considerable. The major states from which such flows of emigrants have taken place are Kerala, Andhra Pradesh, Punjab and Gujarat. Kerala, as has been noted earlier, has the pride of place among them, accounting for more than 50 per cent of the total numbers of emigrants to the Gulf region. The difficulties with using bank deposits as an indicator of foreign remittances are several. First, since the nationalisation of the major banks in India in 1969, the RBI has been engaged in an intensive deposit mobilisation drive, by opening branch offices of banks in both rural areas and urban areas, with particular emphasis on the former, and offering various incentives to people to deposit their cash savings in banks. The increase in bank deposits could therefore be due to the increase in domestic savings and diversion to banks of an increasing proportion of the savings of the resident population. To the extent this is the case, increase in bank deposit will not serve as an indication of the increases in foreign remittances. Secondly, bank deposits increase, even without additional deposit mobilisation drives, in places in which economic activities, and therefore

63/ Government of India, Economic Survey, 1982-83, p.59. A recent report has however pointed out that, according to Government sources in Delhi, the level of remittances in 1981-82 was US \$ 249.4 million in 1981-82 (a figure higher than that for 1980-81 shown in Table 16) and that the level is expected to have been still higher in 1982-83; see Minhaj Banna Kullip Nayar and K Nadaraj, 'Waiting for the fall out', South, August 1983, p.69.

incomes of the population, rise. Increase in bank deposits due to domestic economic growth and receipts from foreign tourists cannot be separated out to examine the increase in them due to foreign remittances. A third factor is that not all foreign remittances are channelised through the banks. It is well known that a sizeable proportion of the flow of savings of Indians working abroad is through non-banking and illegal channels.

The money received via these illegal channels - through agents of foreign purchasers of the savings (in foreign currency) of the Indians offering them higher rates of exchange than the official rates - by the households in Kerala is known locally as "tube money". The size of this flow again is not at all known, even though frequent reports appear in the press about individual cases of such illegal transfer. These limitations may be borne in mind while looking at the growth of bank deposits in the different states in India shown in Table 17.

The Table suggests that among the States, Kerala holds a unique position in the sense that its rank in terms of per capita bank deposits has risen from 9 in 1971 and 1976 to 6 in 1980. Besides, the per capita bank deposits in Kerala which stood below the all-India average during the period till 1976 has begun to exceed it since then. Another state which has improved its position is Andhra Pradesh. Andhra Pradesh is also known to have sent large numbers of persons for work to the Middle East even though its role is considerably less than that of Kerala in this respect.^{64/}

Gujarat and Punjab also have marginally improved their ranking in respect of per capita bank deposits. Part of this improvement may be

^{64/} But Andhra Pradesh has other connections with the Arab world, particularly through what is known as 'Arab marriages', - instant marriages performed between Arabs who visit the country and Andhra girls mostly in their early teens - conducted with the help of the poor and money crazy parents of the girls. See: Syed Majeedul Hasan, *The New Arab Slave Trade*, Sunday, 30 November, 1980, pp.16 and 17 and, *Arab Marriages in AP: security sought*, Indian Express, dated 6 July 1982.

attributed to foreign remittances, but the major reason is the rising economic activities and the growth of income in these two states. The other two states which have improved their ranking are Jammu and Kashmir and Madhya Pradesh. We know that Jammu and Kashmir is one of the regions most reputed for tourism and therefore the increase in per capita bank deposits should be attributed mainly to it. Besides, its economic conditions have also been improving more rapidly than the all-India average. Jammu & Kashmir is not known to have sent any considerable number of its citizens abroad. Madhya Pradesh also is a state from which overseas migration has been negligible if not non-existent.

The improvement in the ranking of Kerala in respect of bank deposits may be almost entirely attributed to the flow of inward remittances particularly because its domestic per capita income has been rising much less rapidly than the all-India average, and its rank among the States in terms of per capita income has been declining, see Table 18.

The foregoing discussion shows that Kerala is the one state in India whose economy has substantially benefitted from remittances from abroad. In fact, a substantial part of its per capita national (as against domestic) income, say about 15 per cent, is considered to arise from remittances received from abroad.

The increase in the flow of remittances will be partially reflected in bank deposits. As argued earlier, bank deposits would also be governed by several other factors, such as the availability of banking facilities, the banking habits of the population concerned, the sectoral distribution of income and the level and the growth rates of income. In general, the districts with high per capita incomes and large proportion of urban population are likely to have already well developed banking facilities. In

Table 17

State-wise Distribution of Per Capita Bank Deposits of Scheduled Commercial Bank in
India 1971 to 1980 (Selected Years)

State	1971		1974		1975		1976		1978		1980	
	No.	Rs.	Rank	Rs.	Rank	Rs.	Rank	Rs.	Rank	Rs.	Rank	Rs.
Maharashtra	335	449	1	570	1	728	1	1048	1	1380	2	1441
Punjab	252	396	2	494	2	620	2	944	2	1380	1	1441
West Bengal	222	350	3	412	3	500	3	710	3	935	4	961
Gujarat	217	319	4	369	4	470	4	705	4	961	3	961
Karnataka	126	190	5	229	6	299	5	453	7	660	7	660
Tamil Nadu	109	199	6	231	5	284	7	438	8	612	9	612
Jammu & Kashmir	107	179	7	212	7	287	6	603	5	810	5	810
Kerala	104	168	8	196	10	264	10	426	9	651	8	651
Kerala	102	171	9	207	9	266	8	488	6	682	6	682
Himachal Pradesh	94	184	10	206	8	265	9	404	10	595	10	595
Uttar Pradesh	69	72	15	140	11	180	12	270	12	405	12	405
Bihar	57	95	12	112	13	140	14	189	15	276	15	276
Andhra Pradesh	56	110	11	137	12	185	11	294	11	428	11	428
Rajasthan	55	87	13	102	14	142	13	219	13	327	13	327
Madhya Pradesh	43	76	14	95	15	128	15	190	14	281	14	281
Assam	38	69	16	83	16	111	16	172	16	227	16	227
Orissa	26	45	17	58	17	74	17	120	17	196	17	196
India	132	212		250		322		484		675		675

Source: RBI, Bulletins (Various years)

Table 18

Per Capita Domestic Incomes of States in India 1969-70
1975-76 and 1977-78 (Current Prices)

Sl. No.	State (ranked according to per capita income in 1969-70)	1969-70	Rank	1975-76	Rank	1977-78	Rank
1	Punjab	945	1	1597	1	1962	1
2	Haryana	811	2	1274	3	1600	3
3	Maharashtra	752	3	1377	2	1628	2
4	Gujarat	696	4	1215	4	1340*	4
5	Himachal Pradesh	586	5	1078	6	1178	6
6	Kerala	541	6	907	8	987	10
7	Tamil Nadu	536	7	840	12	1036	8
8	Uttar Pradesh	522	8	730	16	916	14
9	West Bengal	522	9	1116	5	1268	5
10	Andhra Pradesh	521	10	903	9	999	9
11	Rajasthan	497	11	850	11	948	12
12	Karnataka	495	12	1005	7	1129	7
13	Orissa	491	13	747	15	857	16
14	Assam	491	14	776	13	932	13
15	Jammu & Kashmir	...	15	883	10	986	11
16	Madhya Pradesh	469	16	769	14	905	15
17	Bihar	403	17	661	17	735	17
	India	598		1021		1189	

* refers to 1975-76

(Per capita Income for all-India and Kerala in 1980-81 were Rs.1571 and 1312 respectively).

Source: Government of Kerala, Statistics for Planning, 1980
Directorate of Economics and Statistics, Kerala, 1980,
p.79.

such areas the growth of incomes and the growth of bank deposits may take place at comparable rates. However in areas in which the levels and the growth rate of per capita incomes are low, the growth rates of bank deposits are also likely to be correspondingly low. If in such areas we find on the other hand high rates of growth of bank deposits, the phenomenon could plausibly be attributed to remittances from migrants abroad in case such areas have a sizeable proportion of such migrants. We furnish in Table 19 the ranking of the different districts of Kerala in terms of per capita incomes and bank deposits for the years 1975 and 1980 and on the proportions of such migrants. The Table also would show the ranking

of the districts on the basis of the percentage increase of per capita income, and bank deposits during the period 1975 to 1980.

A more disaggregated analysis of the deposit figures shows clearly the impact of remittances on bank deposits in the pockets of emigration. As Table 20 indicates, during the 5 year period 1975-1980, the percentage increase in bank deposits in the centres of migration has been in the range of 330 to 514 against the state average of 229.

A study on the size and distribution of bank deposits in a few centres of emigration in Kerala was conducted in 1980^{65/} using the data on monthly inward remittances during two periods January-October 1978 and January-October 1979.

The Centres were selected from the districts in Kerala which together accounted for nearly 60 per cent of the total migrant workers from Kerala working in countries outside India. The following were the centres selected.

1. Malappuram, Chevaikad, Kunnaankulam and Varkala, which are among the well-known centres of emigration to the Gulf countries and
2. Chengannur, Tiruvalla and Kumbanad from where the proportion of persons who have gone out from Kerala to other regions than the Gulf countries is slightly higher.

The data for the study were collected from all the 43 commercial banks functioning in these Centres. The following conclusions emerge from the data.

1. The average amount per remittance was Rs.3024; for a full year, this would work out to Rs.23629.

^{65/} The survey was done by a reliable official agency for its internal use.

Table 12

Statement showing Ranking of Districts according to per capita Income, Bank Deposits and Proportions of Emigrants: Kerala

District	Per Capita Domestic Income		Increase in per capita income in 1980 over 1975 (per cent)	Outstanding Bank Deposits		Increase in Bank Deposits in 1980 over 1975 (per cent)
	1975	1980		1975 (Rs. million)	1980 (Rs. million)	
Kottayam	1123.0	1140.0	28.3	371	1159	212.4
Quilon	1063.9	1022.8	(-) 3.9	372	1295	247.9
Idukki	1035.6	1517.5	46.5	52	169	230.0
Ernakulam	1016.1	1744.0	71.6	1035	2930	183.0
Trivandrum	908.3	1251.8	37.8	613	2195	258.3
Kozhikode	844.7	1488.1	76.2	276	910	229.6
Alleppey	828.1	1251.9	51.2	446	1685	277.6
Cannanore	806.5	1260.2	26.3	312	1054	238.2
Palghat	804.8	1214.4	50.9	334	893	167.0
Trichur	753.0	1184.8	57.3	518	1833	254.2
Malappuram	683.3	875.6	37.2	95	427	349.8
Kerala	882.7	1311.8	48.6	4423	14550	229.0

Contd.

Contn. of Table 19

District	Proportion of Emigrants in the Districts to total emigrants in the state (per cent)	Rank	Per Capita Income		Increase in per capita income 1975 - 1980	Bank deposit		Increase in bank deposit 1975-80
			in 1975	in 1985		1975	1980	
Kottayam	2.2	10	1	4	10	6	6	9
Quilon	10.2	5	2	5	11	5	5	5
Idukki	0.1	11	3	2	7	11	11	7
Ernakulam	2.0	9	4	1	2	1	1	10
Trivandrum	11.2	4	5	8	8	2	2	3
Kozhikode	9.1	6	6	3	1	9	8	8
Alleppey	9.1	7	7	7	5	4	4	2
Canamuro	13.4	3	8	6	4	8	7	6
Palghat	3.7	8	9	9	6	7	9	11
Trichur	20.3	1	10	10	3	3	3	4
Malappuram	18.7	2	11	11	9	10	10	1
Kerala	100.0							

Table 20

Growth of Outstanding Bank Deposits in Selected Emigration Centres of Kerala, during 1975-80

Centre	Increase in Bank Deposit in 1980 over 1975 (per cent)
<u>Malabar District</u>	<u>339.8</u>
Kuttippuram	331.3
Malappuram	348.0
Tanur	366.7
Tirur	514.2
<u>Trichur District</u>	<u>254.2</u>
Chevakkod	490.4
Kerala State	229.0

2. The distribution of the total remittances were in the following proportions:
 - 13.2 per cent of the amount received in individual remittances of less than Rs.1000.
 - 31.3 per cent in the range Rs.1000 - Rs.5000;
 - 22.2 per cent in the range Rs.5000 - Rs.10000; and
 - 33.3 per cent in the range above Rs.10000.
3. The average amount per remittance in the different ranges were
 - Rs.781 in remittances below Rs.1000;
 - Rs.2767 in remittances in the range of Rs.1000 to Rs.5000;
 - Rs.6927 in remittances in the range of Rs.5000 to Rs.10000; and
 - Rs.20336 in remittance above Rs.10000.
4. The percentage distribution of the number of foreign remittances was
 - (a) 51.5 per cent of less than Rs.1000
 - (b) 34.2 per cent in the range of Rs.1000 to Rs.5000

(c) 9.7 per cent in the range of Rs.5000 to Rs.10000

(d) 5.0 per cent of more than Rs.10000.

5. The percentage distribution of foreign remittances by countries of origin was.

(a) United Arab Emirates	..	43.8	per cent
(b) Saudi Arabia	..	11.3	"
(c) Kuwait	..	7.8	"
(d) Qatar	..	8.1	"
(e) Oman	..	10.6	"
(f) Bahrain	..	2.9	"
Total (Gulf countries)		84.6	"
(g) Other countries		15.4	"
		100.0	

Tables 21 to 24 show the distribution of centres according to the average remittance by the range of the amount of remittances, the percentage of the amount of remittances by the amount range, percentage of the number of remittance by amount range and the percentage distribution by the countries of origin of the remittances.

Table 21

Distribution of the Study Centres according to the
Amount per Remittance in the Different Ranges: Kerala, 1978-79

Centres	Below Rs. 1,000	Rs. 1,000 to Rs. 5,000	Rs. 5,000 to Rs. 10,000	Above 10,000	All
Malappuram	772	2446	6213	14087	2236
Chavakkad	817	2733	6955	14110	2276
Kunnankulam	752	2577	7194	24483	2986
Varkala	846	3002	7024	19504	2940
Chengannur	701	2680	7240	22824	3551
Tiruvalla	740	2317	6896	21695	4392
Kumbanad	761	2813	7186	22698	4866
Total (average)	781	2767	6927	20336	3024

Table 22

Percentage Distribution of the Study Centres according to
the Range of Remittances, Kerala, 1978-79

Centre	Below Rs. 1,000	Rs. 1,000 to Rs. 5,000	Rs. 5,000 to Rs. 10,000	Above Rs. 10,000	Total
Malappuram	18.1	38.4	27.0	16.4	100.0
Chavakkad	19.6	42.8	20.7	16.8	100.0
Kunnankulam	13.0	31.0	19.1	36.9	100.0
Varkala	14.7	36.2	23.3	25.8	100.0
Chengannur	9.9	24.7	20.8	44.6	100.0
Tiruvalla	7.7	19.3	23.4	49.5	100.0
Kumbanad	6.7	18.8	19.3	55.2	100.0
Total	13.2	31.3	22.2	33.3	100.0

Table 23

Percentage Distribution of the Number of Remittances in the Study
Study Centres by Range of Remittances, Kerala, 1978-79.

Centre	Below Rs.1,000	Rs.1,000 to Rs.5,000	Rs.5,000 to Rs.10,000	Above Rs.10,000	Total
Malappuram	52.5	35.1	9.7	2.6	100.0
Chavakkad	55.0	35.6	6.8	2.7	100.0
Kumarakulam	51.6	35.9	7.9	4.5	100.0
Varkala	51.0	35.4	9.8	3.9	100.0
Chengannur	50.1	32.7	10.2	6.9	100.0
Tiruvalla	45.8	29.3	14.9	10.0	100.0
Kumbanad	42.6	32.5	13.1	11.8	100.0
Total	51.1	34.2	9.7	5.0	100.0

Table 24

Percentage Distribution of Remittances in the Study Centres by
Countries of Origin, Kerala, 1978-79

Centre	United Arab Emirates	Saudi Arabia	Oman	Qatar	Kuwait	Bahrain	Total Gulf coun- tries	Other coun- tries	Total
Malappuram	31.3	54.0	1.9	4.2	2.1	2.2	95.7	4.3	100.0
Chavakkad	53.6	4.6	8.2	11.2	11.1	0.5	89.2	10.8	100.0
Kumarakulam	49.3	7.5	7.2	16.1	3.6	2.7	86.4	13.6	100.0
Varkala	70.6	4.4	6.6	1.1	0.9	1.0	84.6	15.4	100.0
Chengannur	26.0	13.7	11.3	9.4	17.7	7.6	85.7	14.3	100.0
Tiruvalla	21.6	9.2	9.9	6.5	22.4	4.8	74.4	25.6	100.0
Kumbanad	24.4	11.0	8.5	17.3	18.1	6.9	86.2	13.8	100.0
Total	43.8	11.3	7.8	8.1	10.6	2.9	84.6	15.4	100.0

Savings are transferred home through legal as well as illegal channels even though the importance of the latter had declined in recent years. In the former are included remittances made through banks either in the form of bank drafts or cheques, deposits made in the banks in India in the Non-Resident External (Rupee) Accounts and the Foreign Current (Non-Resident) Accounts,^{66/} money taken home by the migrants during their visits home, and goods and jewellery sent or brought in person by the migrants. Transfer of savings through illegal channels is done mainly by smuggling^{67/} in gold biscuits and gold jewellery, wrist watches, video

^{66/} With a view to encouraging remittances from abroad, the Reserve Bank of India (RBI) introduced a new facility in 1975. Under this scheme, non-residents and persons of Indian origin resident abroad are permitted to open and maintain foreign currency (non-resident) accounts in US dollars or in pound sterling with initial remittances received from abroad or by conversion of already existing (external) rupee accounts held with banks authorised to deal in foreign exchange in India. With the introduction of this scheme the RBI hoped to eliminate completely the exchange risk to the non-resident account holders. The interest accruing on these balances is free from Indian income tax. The balances including the interest accrued are freely repatriable in the designated foreign currencies without reference to the RBI. Balances held in non-resident (external) rupee accounts or in designated foreign currencies are exempt from Indian wealth tax. See Reserve Bank of India, Annual Report on Trend and Progress of Banking in India, 1975-76, pp.100-101

^{67/} Smuggling is quite common with Indian workers on their home visits. The press reports cases of detection of smuggling at the various air ports - particularly at Bombay and Trivandrum - which are the entry points from the Gulf countries. A typical report is reproduced here: "Trivandrum July 11, Gold valued at Rs.10 lakhs were seized by the officers of the Air Customs here in the first week of this month. Of this gold alone accounted for Rs.3.25 lakhs... Textiles came next with their value assessed at Rs.2.25 lakhs. Video cassette records and television sets take the third place in the seizures. Their assessed value is Rs.1.25 lakhs. Wrist watches numbering about 130 seized during the week are valued at Rs.1 lakh." Indian Express, dated 12 July 1983.

cassette recorders, television sets and textiles and by sending their savings home in the form of 'tube money'.^{68/} The proportions of savings transferred through these different channels are however unknown. Nevertheless, it is well known that the amounts remitted via banking channels form only part - though this forms the major part - of the total savings reaching India from the Indian expatriates in the Gulf region.

Neither the migrants abroad nor their families in India do seem to experience any difficulty arising from bank procedures or exchange practices. The migrants do not enjoy any special consideration with regard to exchange rates similar to those given to the expatriates of Pakistan and Bangladesh.^{69/} Banking facilities are quite widespread in the rural areas of the country, particularly in the State of Kerala, which accounts for more than half the migrant population of India employed in the Gulf countries.

^{68/} This is a clandestine operation by which the saver sells his savings in the currency of his country of employment for Indian currency at exchange rates higher than the official rates. The equivalent amount in Indian currency is taken to the home of the emigrant by the agents of the party who has bought the foreign currency. Usually this operates through the net work of Indian importers and their agents abroad and at home.

^{69/} Bangladesh Wage Earners' Scheme (W E S) was introduced in 1974 on the lines of the Bonus Voucher Scheme which existed in Pakistan right from the 1960's. The WES enables the migrant workers of Bangladesh to sell foreign exchange to importers in that country at rates higher than the official exchange rates. See Wahiduddin Mahmud and S R Osmani, 'Impact of Emigrant Workers' Remittances on the Bangladesh Economy', The Bangladesh Development Studies, Vol. VIII, Monsoon 1980, No. 3 The Bangladesh Institute of Development Studies, Dacca.

Remittances are received by the members of the family of the migrants, father or older brothers in the case of unmarried migrants, and spouse in the case of married migrants.

VIII

USES OF REMITTANCES

The savings received from migrants form the major source of finance for the migrants' households. A survey conducted in 1980-81 in one of the Centres of migration (Chavakkad taluk of Trichur district) in Kerala showed that in such households, current consumption expenditure formed about 52 per cent of the incomes received from abroad.^{70/} Of the total current consumption expenditure, more than 70 per cent was spent on food and 9 per cent on clothing. Expenditure on medicine formed 4.5 per cent and educational expenditure lay in the range of 1 to 5 per cent. It was observed in the survey that there had occurred a steep increase in the expenditure on education and medicine, both in absolute and relative terms. Another survey^{71/} conducted in 1977 in two migrant sending villages (in Chirayinkil and Trivandrum taluks of Trivandrum district) in Kerala has given a break-up of the expenditure on items other than current consumption expenditure. According to this survey 4.9 per cent of such expenditure was made on financing the migration of the close relatives of the

^{70/} Agro-economic Research Centre, Impact of Foreign Remittances on the Economy of a Rural Area in Kerala, Agricultural Situation in India, Vol.37, No.7, October 1982, p.452.

^{71/} E T Mathew and P R Gopinathan Nair, Socio-economic Characteristics of Emigrants and Emigrants' Households: A Case study of two villages in Kerala, Economic and Political Weekly, Vol.XIII, No.28, July 15, 1978, p.151.

migrant already in Gulf countries. The purchase of durable consumer goods such as vehicles,^{72/} ornaments and jewellery and gadgets like radios, refrigerators, and other electric appliances, together accounted for 6.6 per cent. About 12 per cent was spent on marriage and other ceremonial functions. But the highest proportions were spent on land and buildings.^{73/} (74 per cent); see Table 25.

One of the important items of expenditure of emigrants' households, particularly the poorer among them, is repayment of debts incurred to raise the money required for financing emigration. On the average, it takes about two years for such households to repay the loans.

In 1977, in the two villages surveyed by Mathew and Nair, total amounts of deposits in banks in the name of the emigrant or members of the emigrants' households were almost equally divided between ordinary (demand) deposits and deposits in Non-Resident (External) accounts. The average amounts held per household were not however available.

^{72/} Investment in vehicles for direct use and for business seems to have increased substantially in recent years. In Kerala, during the period 1975-76 to 1981-82 the number of cars purchased for own use increased by nearly 20 thousand. Most of this increase was presumably due to the purchases made by migrants' families. Whether this was in fact the case can be ascertained only after conducted detailed field enquiries.

^{73/} Laurie Baker, an English architect domiciled in India, who is an admirer of indigenous architecture of the Orient, has observed that in Kerala no one builds any more houses in the traditional way. The beautiful houses built with local natural materials and were functionally the ideal for the Kerala climatic conditions are yielding place to the new type of reinforced cement concrete, terraced structures coated with chemical glossy colours - 'angry reds and purples, metallic greens and blues, startling oranges and yellows - deposited on the ground like a spoiled child's toy blocks, defiantly spread across the floor'. Baker attributes this change mostly to the naivety of the new-rich Gulf expatriates. He gives a graphic description of this new tribe and their spending habits: "Village boys who began as construction labourers and masons, return from the Gulf transformed - wearing suits, sporting gold watches and clutching the inevitable two-in-ones. Frequently, they return with a great deal of hard cash as well. During their one month vacations, they buy land. Envious stay-at-homes see the possibility of earning some

Table 25

Distribution of Emigrants' Households According to Items of Expenditure other than Current Consumption Expenditure (Perumathura and Puthukkurichi in Kerala, 1977)

Items of Expenditure	Percentage Distribution of Expenditure
Investment in Business	0.3
" Livestock	0.5
Financing Migration of close relatives	4.9
Purchase of Real Estate	27.2
Construction of Buildings	46.9
Renovation and Repairs of Buildings	2.0
Purchase of Vehicles	2.5
" Ornaments and Jewellery	2.7
" durable consumer goods	1.4
Marriages and other ceremonial functions	11.5
Total	100.0

Source: E T Mathew and P R Copinathan Niar, op.cit., p.1151

Migrants from Kerala have been so far reluctant to invest their

CONTIN. of footnote 73.

of this Gulf money. Land which was bought a few years ago - 10 at the most - for about Rs.500 (per cent) is now purchased for Rs.16,000 to Rs.20,000 with Gulf money. The whole of the building trade in the state has naturally been eager to cash in on this great fountain of wealth. Architects, engineers and contractors design flamboyant, extravagant and expensive buildings. Masons, carpenters, labourers and service technicians all charge three or four times as much as they did a few years ago... Every new Gulf home shouts out loud and clear: "See, what a lot of money I can throw around"... Among the pleasant, homely tiled and thatched houses, these bold, painted, concrete compilations of gimmicks stand out like sore thumbs... The most unsuitable material for walls in a hot climate is glass. It lets in unwanted heat and glare. But Gulf houses must have big glass windows. One panel of glass is removed to accommodate the now necessary air-conditioner. Cement is used extravagantly in Gulf housing... The ordinary Keralite now wants to keep up with the Gulfers... Worse, the government housing agencies seem to have been bitten by the same bug. ... Saddest of all is the fact that the people of Kerala seem to have accepted this vulgar display of wealth". Laurie Baker, A Spoiled Child's Toy Blocks, Indian Express, 22 May, 1983

savings in public sector projects for two major reasons:

- (i) The public sector projects in Kerala have become notorious for inefficiency; only very few among them earn profits; and
- (ii) there exists a widespread-erroneous impression that Kerala is not an attractive place to invest due to the prevalence of incessant labour troubles.^{74/} It should however be noted that migrants would not hesitate to invest in projects if they have faith in their performance judged in terms of organisational efficiency and profitability.^{75/}

There are reasons to believe that migrants have been investing in recent years an increasing share of their savings in business. The main avenues of investment are operation of taxi cars, goods vehicles and private buses; constructing and running cinema houses, producing cinemas, and constructing and running hospitals. The following Table shows the increase in the number of goods vehicles (lorries, trucks and tempos) buses (stage carriages and contract carriages) taxi cars and autorickshaws during the period 1975-76 to 1978-79 and 1978-79 to 1981-82. Here again, the proportions of these purchases made out of remittances from migrant and out of other incomes have to be ascertained.

Contn of footnote No.73.

The rising demand for housing sites has led to conversion of large areas of rice fields into plots for construction of buildings. A typical report says: "Paddy fields are cheaper than other land and the cost of converting them is not high. The shortage of plots and their increasing prices coupled with the craze to possess house sites near junctions and main roads are some of the reasons that have started this new trend. Field owners, attracted by Gulf money, are answering the increasing demand for land in many places". Conversion of Paddy Fields into Buildings Sites, Indian Express dated 13 August 1983.

^{74/} Weiner, op.cit., fn.No.9, p.52

^{75/} For example, Keltron, a public sector corporation producing electronic goods was able to raise in 1976 effortlessly Rs.12 lakhs from Keralites in the Gulf countries; Raju Kurian, op.cit., p.88.

Table 26

Number of Vehicles operated by private sector in Kerala
1975-76 to 1981-82 (in hundreds)

	Goods Vehicles	State carriages	Taxi cars	Autoriokshaws
1975-76	158.8	46.2	115.8	37.3
1978-79	185.2	52.4	152.0	57.2
1981-82	276.6	75.0	215.7	127.3
Increase during 1975-76 to 1978-79	26.4	6.2	36.2	19.9
Increase during 1978-79 to 1981-82	91.4	22.6	63.7	70.1

Source: Bureau of Economics and Statistics, Government of Kerala, Trivandrum.

The migrants in the Gulf countries have made generous contributions to public and private philanthropic campaign for rehabilitation of victims of natural disasters such as droughts and floods and for helping destitutes and the handicapped. Both individuals and associations of migrants have made such donations and contributions. Besides, they are known to have contributed liberally for renovation of religious institutions and for construction of temples, mosques and churches in their home villages. No quantitative information is unfortunately available on the magnitude on such items of expenditure.

Migrants, as was noted earlier, bring foreign goods on their return home, paying heavy customs duties.^{76/} The items of such goods include television sets, radios and transistors, radio-cum-tape recorders, video recorders, cameras, electronic calculators and wrist watches. These

^{76/} The migrants are not given any concession in customs duties. Rather, their complaint has been that they are penalised.

contd.

items are imported not because domestically produced goods are not available, but because the foreign goods still command more prestige at home. The non-migrants do not have any opportunity of importing them due to governmental restrictions on their imports. A comparison between migrants' and non-migrants' households would disclose the difference in the proportions of foreign and domestically produced goods owned by the two groups. But such an exercise has yet to be done in any part of India.

Propensity to Consume: migrants and non-migrants

The widely-held opinion in the country is that migrants spend larger amounts on consumption than non-migrants. However, it is not clear if the propensity - particularly the marginal propensity - to consume is higher among the former. Several items of consumption - such as consumer durables - are incurred during the early years after emigration. If the migrants bring the same gadgets even after they have already purchased them for own use, it is for resale in India. The availability of 'foreign goods' has led to the development of a ready market for them and the migrants or their families get a handsome margin on such resales. Thus the large influx of foreign goods is affecting the consumption pattern of the non-migrant families as well. However, this craze has not infiltrated into all economic groups; it is the lower and upper middle class in society who are the more fashion-conscious and it is therefore their expenditure that has gone up in the process.

contn of footnote No.76

The President of the Indian Association complained, at a reception given to the Minister for External Affairs, Government of India in May 1983, that "at present, an overseas Indian is made to feel like a criminal while visiting or returning to his homeland, by the airport authorities". He demanded relaxation of customs and baggage rules. Dubai Indians seek Confidence, Security, Indian Express dated 29 May 1983.

Bulk of the goods imported by migrants are consumer durables. Non-consumer goods do not figure at all in the migrant's import kit, except gold and consumer durables which some of them would like to sell in the domestic market at a profit.

Whether a household would invest its income or keep it in the form of cash or jewellery, or land and buildings and bank deposits, would depend not only the source of income (i.e. whether it is earned abroad or domestically) but also on the aptitude and experience that the household has in making investments and the availability of members in the household capable of managing the investments. One of the difficulties encountered by most migrant families is that they do not have any experience in a business line, except investment in agricultural land. Besides, in several such families, the members left behind are mostly children, women, invalids and old people.

The households of the migrants being mostly poor and little educated, are not aware of the possibilities of investing in shares and securities of private or public corporations. This applies to most non-migrant families as well. In fact, except for a few selected business communities and highly rich business families in urban areas, investment in stocks and shares is a totally strange proposition. It may however be that there exists, on the whole, some degree of difference between the two groups of households on their attitudes towards investment and therefore in their propensities to invest. This however cannot be verified without detailed field surveys.

IX

SOCIAL/PSYCHOLOGICAL/CULTURAL PROBLEMS

We have in a preceding section referred to the nature of the social, psychological and cultural problems of the expatriate workers in Gulf countries. We shall now briefly touch upon the problems faced by the migrants' families back home.

The members of their families left back home also live tension-ridden lives for a variety of reasons. The seriousness of their problems and the policies which might possibly assuage them can be discussed only if reliable information on an adequate scale is available. Unfortunately such information does not yet exist. Here we shall only mention in passing some references made by leading psychiatrists in Kerala to the psychological problems faced by the migrants' families.^{77/} The problems arise for brothers of the emigrants, left back home, from frustration at the disparity in incomes between them and their brothers abroad; and for wives of the emigrants arising from long separation from husbands and the resultant anxieties. Psychiatrists in Kerala report that the Gulf boom has taken a toll of the mental health of the people. They have reported an unprecedented spurt in the number of persons falling ill with at least half of them belonging to the "Gulfite" homes. According to the Superintendent, Government Mental Hospital Trichur (Trichur district has sent the maximum number of migrants to the Gulf countries from Kerala State), almost every second family which has a relative in the Gulf has a history of mental illness. The Superintendent of the Government Hospital, Calicut observed that the entire family situation seems to be heading for a total breakdown in the Gulf belts of the state. In Chavakkad taluk, which is one of the

^{77/} Raj Chengappa, 'The Mental Gulf', India Today, 15 September 1982, pp. 58-61.

most important emigration pockets in Kerala, nearly 50 per cent of the cases of mental illness came from 'Gulf families'.

Most of such cases reported from Trichur came from young Muslim wives in the age group of 15 to 25 years, the most important reason for the illness being incompatibility with their in-laws. The problem is the most serious among Muslims because of the low levels of education among them.

"Gulf marriages" are another factor. Workers in Gulf coming on leave marry in haste, have a quick and short honeymoon and leave their wives with their (husbands') parents for long intervals. The sharing of the migrant's remittances between their parents and wives becomes another bone of contention. The wife usually gets very little. The ensuing quarrels among families have turned many young wives mental wrecks.

Psychiatrists also point out that prolonged post-marital separation has led to deviant sexual behaviour by both partners, ending in guilt and tension. Separation has also fuelled suspicions of the partner's fidelity and several marriages have broken down. Breaking marriages is more common among the Muslims for whom the divorce procedure is quite simple and easy. Mosque meetings now-a-days are reportedly full of discussions of marital disputes.

Another psychological problem is that of the children of the 'Gulf families'. Such children, it is reported, are becoming delinquents and turning to alcohol and drugs. Mothers who have to take full control of the children are finding it difficult in the absence of the supporting presence of the fathers. The psychiatrists have even coined a new term: the "Gulf Syndrome".

Apart from the psychologists and psychiatrists, the social scientists are also worried about the havoc that Gulf money is doing in Kerala, by its indulgence in wasteful expenditure, raising prices all along, of consumer goods, real estate and labour.

The Gulf money has brought about drastic changes in the demand patterns for consumer goods as well. Cotton clothes are discarded for synthetics; private cars, not public conveyance, are used for travel; ready-made foods are used instead of kitchen made foods; and so on. Extravagance is becoming the status symbol.

But Gulf migration has had its positive effects also. Educational levels had remained miserably low in several areas from which migration of unskilled workers has taken place in large numbers. A visible change is now taking place in the attitude of people in such areas towards education. There is a rising demand for educational facilities. An increasingly larger percentage of children, particularly from among girls, now goes to schools and colleges. A larger proportion of young men turn to training centres in different technical skills. Women withdraw themselves from low paid, drudging occupations. This process may lead to a decline in their work participation ratio for an interim period, till the younger generations find avenues of better employment. Social mobility has increased. Several families with whom the so-called aristocratic families would not have marital relations are now sought after by them for such relations. Families which were till recently looked down upon are now consulted in social functions. The migrants' families have by their consumption patterns instilled into the society around them an awareness of modern ways of life and an urge to strive for them.

Eventhough there exists a general awareness of the problems that the migrants and their families face as well as of the impact that



migration is having on the society at large, no institutions have come up at any level - social, cultural, religious or other to deal with such problems and influence their social impact.

The foregoing discussion indicates that one should not blow up the psychological problems alone out of proportion. Separation, absence of a capable parent at home, disparities in income levels among members of the same family, and among families in the same locality, sudden riches that lead to show off, etc. are not problems exclusively confined to the Gulf migration phenomenon. Besides, its positive aspects also have to be readily conceded. Since the bulk of the migrants come from poor homes, their employment and the flow of incomes to their families that it has led to, has had a levelling up effect. Poverty-stricken, desolate villages are suddenly becoming prosperous. A sizeable proportion of the houseless population has now own houses. Demand for more schooling, health, street and domestic electrification, sanitation and transport facilities is rising from areas which had remained 'in the dark' till recently. Welcome changes are taking place in the attitudes of the 'Gulf families' towards customs, habits, and life styles. Their rise in social and economic status has automatically led to the deprivation of the privileges and power that certain sections of society had been wielding in the localities concerned in the past. It is these sections that look askance at the challenging, defiant attitudes of the new rich. One may note, however, that social tensions do oftentimes lead to conflicts and change and growth. Gulf migration/^{seems} to have acted as a catalytic agent for change in the Kerala society.

SCENARIOS FOR THE RETURN OF MIGRANTS

From the reports that appear these days in the press, it is almost clear that the majority of workers now employed in the UAE will have to return home in another two years' time.^{78/} In the other countries in the Middle East, such as Saudi Arabia, Oman and Kuwait, the demand for construction workers may continue undiminished for a few more years to come. However, the present indications are that the peak phase of construction activities in the entire region is fast coming to an end and that repatriation of workers, at least on a low key to begin with, from the rest of the countries as well may start in the near future.^{79/}

The possibilities of a sharp decline in the demand for construction workers and of the inflow of returnees exceeding the generation of employment opportunities in their home countries were envisaged by researchers as early as 1978.^{80/} An additional factor that may lead to a decline in the demand for Asian workers has emerged following the decision taken by the Gulf Labour Ministers' Conference held in December 1979 for 'Arabisation' of the region.^{81/} The burden of repatriates is likely to be heavy in countries like India since there already exists the threat of an imminent massive inflow of returnees from Iraq, Libya and

^{78/} 'Gulf will Need More Manpower', Indian Express dated 1 September 1983, op.cit.

^{79/} The future trends in the demand for manpower in the Gulf countries are however uncertain. "Some of the official studies - have given conflicting trends with a few indicating a fall in the labour market demands whereas others predicting an increase for about another 20 years", Ibid.

^{80/} Birks and Sinclair wrote in 1978. "The problem to be faced by all countries of origin is that probably the international demand for their migrant labourers will eventually fall. The decline will be sharp enough for workers to return home more quickly than employment can be created for them in their country of origin", op.cit., p.101.

^{81/} Dilip Bobb, op.cit., p.36

Nigeria. ^{82/}

The exact number of Indian workers in the UAE is not known. The general impression is that their number will work out to 50 per cent of all the Indian workers in the Gulf countries. Since the total number of Indian workers in the Gulf countries exceeds 1 million (and the total Indian population nearly 1.7 million), the number of Indian workers in the UAE is likely to be around 0.5 million. Not less than 75 per cent of the Indian workers would be construction workers. In case, most of them are repatriated by 1985, India will have to receive back not less than 0.3 million workers (plus their dependents in the UAE) by then. Bulk of these repatriates, not less than 50 per cent, will come back to Kerala and the rest to the other States in India such as Punjab, Andhra Pradesh, Maharashtra, Gujarat, Goa and Tamil Nadu. In the following years after 1985 also, India should expect to receive back sizeable number of repatriates, if the present indications are to be taken as the harbinger

^{82/} In Iraq and Libya there are several thousands of Indian workers employed in construction companies run by Indians. The Governments of these two countries are finding it difficult to finance the completion of the projects already taken up. The government of India has been taking steps to ensure that the workers engaged in the construction companies are paid their wages and salaries which have already fallen into arrears. It is almost certain that the workers engaged in the construction companies will be repatriated immediately after the completion of their present assignments. In addition, large numbers of Indians, professionals, scientists and teachers, employed in Nigeria are expected to return home permanently on the expiry of the period of their present contract as a result of the crash of the Nigerian economy following the fall in the oil prices.

of developments likely to ensue.^{83/} Besides, as the construction projects in countries like Saudi Arabia, Kuwait and Oman also get completed, there is likely to emerge a significant change in the composition of demand with the construction workers getting repatriated and managerial,

83/ The Governments of most Gulf countries have presented in 1983 the tightest budgets ever in recent years. The Bankers' Magazine made the following report in June 1983. "Undeniably, however, growth is going to slow down over the next few years. The explosive increase in construction-related finance of the early to mid-1970's is over... The Saudi government will undoubtedly do their best to cushion their belt-tightening measures by delaying rather than axeing their projects... Inevitably the Third Plan (1980-1985) must fall behind... with the fall in oil income Kuwait is likely to incur a deficit for the first time in recent history... the mere existence of a deficit has caused serious reappraisal in the country, with much close scrutiny of intended capital investments and the postponing of several major projects". The report also mentions that the UAE had in 1983 the tightest budget in recent years. As against the earlier forecast of some QR 5575 million (\$1550 million) the budgeted expenditure this year is only QR 3850 million (\$ 1070 million). Annual Survey: New Role of Arab Banks, reports from Bankers' Magazine Correspondents, Bankers' Magazine, No.1671, Vol.CCXVII, London, June 1983, pp.18-32; A K N Mohammad has reported from Washington still more recently that the outlook for development in Saudi Arabia is dismal. "Only recently during fiscal year 1983 the Saudis were forced to slash their original spending plan of US \$ 90 billion to \$ 70 billion as oil revenue fell. In fiscal year 1984 they are planning to spend only US \$ 75 billion. Yet they face a deficit of at least \$ 10 billion. This projected deficit may be on the lower side since it is based on some optimistic assumptions. The Saudis project fiscal 1984 oil exports to average 5 million barrels a day at \$ 29 a barrel. But exports this year are falling below 3-m b d, less than one-third of the level of 2 years ago. The Saudis need a sharp pick-up both in demand and in the share of the market to meet the target. Some independent analysts, therefore, calculate the level of deficit will be between \$ 21 billion and \$ 26 billion instead of the projected \$ 10 billion.

"The economic retrenchment that began last year will continue in fiscal year 1983-84. Few new development projects were funded last year and fewer are expected this year. This in turn will imply foreign firms, particularly construction firms, will feel the squeeze deeper and deeper. Already the process has started with postponement of payment to the contractors by the Government and its recent directive to give more and more work to Saudi firms instead of foreign firms... The effect of the squeeze on development budget and on foreign firms is repatriation of expatriate workers from abroad. This will be having direct impact on employment and balance of payments position of labour-exporting countries... Labour-exporting countries should be ready for a fall in the level of export of their labour force and a consequent drop in the level of their foreign exchange earnings from remittances of migrant workers... Labour-exporting countries should be prepared to receive back some of the labourers who had gone to Saudi Arabia earlier to work... Their return to their home countries particularly after the loss of employment is likely to create great social stress and strains and, if not
contd.

professional and secretarial workers being demanded in larger numbers.

The volume of actual repatriates is likely to be still more since there exist large numbers of illegal migrants (or migrants whose periods of contract are over) in the Gulf countries, particularly in the UAE. Their numbers are not known, but the general impression is that they run into several thousands. The UAE has in a recent months intensified crack down on illegal migrants and a few thousands are already in jail. All illegal migrants are likely to be deported soon.^{84/}

Possibilities of construction workers repatriated home, returning to Gulf countries on new visas are remote in view of the fact that construction activities are being slowed down in the entire Gulf region.

Rehabilitation of Returnees

In the absence of any study on the demographic characteristics of the persons already returned, it is not possible to furnish in this report any information on this aspect. Nor is it possible to report on their present employment status or the problems involved in their social and psychological rehabilitation. From the impressions that one is able to gather, one may report that the employment of the repatriates has not assumed the size of a problem for public attention and that no reports have appeared on the problems on the part of the repatriates to rehabilitate

Contn. of footnote No.83

properly handled well in time, even upheavals." A K N Ahmed, 'Saudi Arabia, Oil Glut and Poor World, Commerce, 20 August, 1983.

^{84/} Indian Express, 1 September 1983, op.cit.

themselves into their home society.

Nevertheless, we hasten to add that the dimensions of the repatriate problem are likely to become formidable in the next few years, especially for a small state like Kerala which has to take back more than half the total number of repatriates. The problem for Kerala will be all the more serious since it has remained in the grip of chronic unemployment of all categories of labour for several decades now. Unfortunately the Government of India does not have any resettlement schemes for returning Indian emigrants from the Gulf countries.^{85/}

The Government of Kerala also has been remaining complacent on the question of employment of the Gulf repatriates. The interest of the government has been focussed more on the mobilisation of the savings of the migrants for investment in public sector enterprises. However, in May 1983, the Minister for Industries, Kerala stated that the State Government was considering a plan to establish industrial estates in different parts of the State to provide employment to repatriates. According to him 100 units were proposed to be started in the electronics industry of which one-third would be reserved for Gulf repatriates. He also spoke of starting Television Assembly units in some emigration

kets in the State.

^{85/} This is what the Labour Minister, Government of India announced in a statement made before the Indian parliament on August 2, 1983. He added that Indians were not facing serious unemployment problems in West Asian Countries since they go there on firm employment contracts and valid employment visas. In a few cases, he further added, services had been terminated before completion of the contract period, but one month's notice and return air fare were generally given by the employers. 'No Schemes for Gulf Returned', Indian Express dated 3 August, 1983. It seems that the Minister of Labour has assumed away illegal emigrants by definition.

pockets in the State.^{86/} However, such small endeavours are likely to solve at best only a fringe of the problem. For all practical purposes, it would seem that the Gulf repatriates would have to fend for themselves.

^{86/} 'Units likely for Gulf Repatriates', Indian Express dated 29 May 1983.

R e f e r e n c e s

1. Agro-economic Research Centre, Madras
Impact of Foreign Remittances on the Economy of
a rural Area in Kerala, Agricultural Situation
in India, Vol.37, No.7, October 1982.
2. Banker's Magazine Correspondents
New Role of Arab Banks: Banker's Magazine, No.1671,
Vol.CCXXVII, London, June 1983.
3. Birks, J S and Sinclair, C A
International Migration and Development in the Arab
Region, International Labour Office, Geneva, 1980.
4. Bobb, Dilip
Chasing a Mirage, India Today, April 1-15, 1980
5. Chakravarthy, Nitish
West Asian Lure: Protecting the Migrant Labour,
Hindu, November 13, 1978.
6. Chengappa, Raj
The Mental Gulf, India Today, September 15, 1982.
7. Commerce, July 1, 1983.
8. Commerce Research Bureau
Emigration, Inward Remittances and Economic Growth
of Kerala: Report of a Survey, Bombay 1978.
9. Director of Census Operations, Kerala
Census of India, 1981; series 10, Kerala, Paper 2 of
1981, Trivandrum, Kerala, 1981.
10. Government of India
Annual Report of the Ministry of External Affairs,
(Various years)
11. Government of India
Bulletin of Job Opportunities in India, Annual
Number 1978, Vol.XV, No.5, Central Institute for
Research and Training in Employment Service, Director
General of Employment and Training, Ministry of
Labour, New Delhi, 1980.
12. Government of Kerala
Economic Review, State Planning Board, Trivandrum
(various years)
13. Government of Kerala
Statistics for Planning, State Planning Board,
Trivandrum (various years)

14. Indian Express
 Dated May 15, 1982
 May 22, 1982
 March 27, 1983
 April 10, 1983
 April 19, 1983
 May 15, 1983
 May 27, 1983
 May 29, 1983
 June 14, 1983
 June 26, 1983
 July 1, 1983
 July 12, 1983
 August 3, 1983
 August 13, 1983
 August 27, 1983
 September 1, 1983.
15. Jain, Prakash C
Indians Abroad: a current Population Estimate,
Economic and Political Weekly, February 20, 1982.
16. Kerala Kaumudi, August 29, 1983.
17. Kurian, Raju
 Patterns and Effects of Emigration from Kerala - a
 Study of two villages, Centre for Development Studies
 Trivandrum, 1978 (unpublished)
18. Mahmud, Wahiduddin and Osmani, S R
 Impact of Emigrant Workers' Remittances on the Bangla
 Desh Economy, The Bangla Desh Development Studies,
 Vol. VIII, Monsoon 180, No. 3, The Bangla Desh Institute
 of Development Studies, Dacca.
19. Mathew, E T and Nair, P R Gopinathan
 Socio-economic Characteristics of Emigrants and Emigrants'
 Households: a case study of two villages in Kerala, Economic
 and Political Weekly, July 15, 1978.
20. Prakash, B.A.
 Impact of Foreign Remittances: a Case Study of Chavakkad
 village, Economic and Political weekly, July 8, 1978.
21. Radhakrishnan, C and Ibrahim, P.
 Emigration, Inward Remittances and Economic Development,
The Manpower Journal, New Delhi, January-March, 1981
22. Raina, Ashoka
 The Travel Bug, India Today, August 31, 1982.
23. Reserve Bank of India
 Annual Report on Trend and Progress of Banking in
 India (various years), Bombay.
24. Serageldin, Ismail and Socknat, James.
 Migration and Manpower Needs in the Middle East
 and North Africa, 1975-1985, Finance and Development,
 December 1980.

25. South, London, August 1983
26. Sunday, November 30, 1980
27. Trivandrum Staff Correspondent
Racket in Visas and Certificates, Hindu, November 13,
1978.
28. United Nations
Demographic Year Book, 1980, U.N., New York
29. Venkataranan V
NOC and Visa at a price, Hindu, November 13, 1978.
30. Weiner, Myron,
International Migration and Development, Population and
Development Review, 8, No.1, March 1982.
31. World Information
Gulf Guide and Diary, 1983, 21, Gold Street, Saffron Walden
Essex, U.K.

APPENDIX

1. DLA

MODEL EMPLOYMENT AGREEMENT TO BE EXECUTED WITH WORKERS FROM INDIA
FOR EMPLOYMENT ABROAD

Parties to the contract

This agreement is made onday of
..... nineteen hundred between M/s.....
..... (foreign employer)
.....
carrying business in
..... (country of business and employment)
hereinafter called the "Employer" and Shri
..... (name of employee)
son of r/o
India, hereinafter called "Employee" whereby it is mutually agreed as
follows:

Post and Duration of Employment

1. (a) The Employer engages the Employee as
and the Employee hereby agrees to serve the Employer in his business at
..... for a minimum period of
..... from the date of his engagement in India.

(b) If the period of employment is more than two years, the
Employer will provide the Employee one free return air fare by economy
class to the place of his residence in India to meet his family.

Renewal of Contract

2. (a) The contract is renewable by mutual consent for a
further periodon the same terms and conditions.

(b) The contract of service of the worker would not be terminated except in accordance with the procedure specified in the contract, and within the framework of the rules and regulations of the government. The government will honour the contract signed in India in English in full spirit.

Salary and allowances

3. The Employer shall pay to the Employee during the period of this agreement a monthly salary of
(local currency)
The salary and allowances will commence from the date of his embarkation in India and will cease on the date of his disembarkation in India after expiry of the contractual period of employment.

Payment of Salary

4. The Employer shall pay the above salary and allowances to the Employee at regular intervals, the duration not exceeding one calendar month.

Obligation of Employer

5. (a) During the period of engagement, the Employee agrees to perform all legitimate duties assigned to him by the Employer. The Employer shall respect the national traditions and customs of the country.

Payment of advance

6. Before the departure of the Employee from India to take up his employment, the employer shall pay to the Employee, an amount not less than half a month's salary as stipulated herein. Such sums shall be recoverable from the Employee in not less than four equal monthly instalments.

Transportation

7. The Employer shall provide to the Employee free air passage from the place of his residence in the country of employment and back.

Hours of Work

8. The hours of work of the Employees will be regulated in conformity with the local labour laws. In the absence of any such law, the Employee shall not be required to work for more than eight hours in a day during six days in each week with a daily interval of one hour.

Payment of Overtime Allowance

9. The Employee shall be entitled to OVERTIME ALLOWANCE in accordance with local labour laws, and in the absence of such law, AT THE RATE $1\frac{1}{2}$ times the normal rate for extra work done on ordinary days and twice the normal rate for work done on the weekly closed day or other closed holidays.

Leave

10. (a) The Employee shall be entitled to an earned leave with full pay as per local labour laws. The Employee shall also be entitled to sick leave with full pay and sick leave at Half Pay as per local labour laws.

(b) In addition to the weekly and other holidays including period of leave medical leave to which the workers would be entitled in accordance with the labour regulations, the concerned authorities would permit leave to Indian workers on the occasion of their religious or national festivals. Such leave would be without pay and would not constitute unauthorised absence from work.

Accommodation

11. (a) The Employer shall provide the Employee with appropriate free furnished living accommodation with air coolers within one and a half kilometres of the place of work. In case such accommodation is provided at greater distance, free transport facilities from his residence to place of work and back shall be provided to the Employee by the Employer. He shall also be allowed to stay in the accommodation so provided after termination of the contract till his dues are cleared and repatriation is arranged.

(b) If free furnished accommodation with air cooler is not provided, then the Employee is entitled to a housing allowance as permitted to foreigners under the local regulations.

Free Food

12. The Employer shall provide free food to the Employee. In case this is not feasible, then the Employee may be provided with kitchen facilities with utensils plus food allowance depending on the cost of living and availability at the place of work. This amount shall be in addition to the monthly salary.

Medical Treatment

13. The Employer shall also provide the Employee at site with free comprehensive medical treatments (including medicines) and dental and eye care and hospitalisation if required in cases of his illness.

Remittance of Earnings

14. (a) The Employer shall provide all facilities to the Employee for remittance of any portion of his salary and allowances as the Employee may desire, to his relatives ~~or dependents in India~~

to the limits laid down by local laws, if any.

(b) The Employee shall also be provided reasonable facilities for going to the bank for remittance purposes during working hours.

Discharge during probation period.

15. The Employer may discharge the Employee during the probation period in accordance with local labour laws. The cost of repatriation of the Employee to the place of residence in India will be borne by the Employer.

Termination of Contract

16. (a) The contract engagement can be terminated either by the Employer or the Employee by giving notice as prescribed under the local labour laws. In the absence of such laws, three month's notice in lieu thereof shall be given plus return air passage.

(b) In case of termination of the contract the cost of repatriation shall be borne by the Employer, provided that in the case of termination by the Employer on the grounds of misconduct alleged by him, the ground alleged shall be communicated to the Employee in writing and that he shall be given an opportunity to explain his case. The Employer shall in the event of such disciplinary proceedings inform the Indian Embassy.

Provided further that the Employer shall not terminate the agreement as aforesaid on the ground of the Employee being surplus to his requirements.

(c) If the Employee terminates the contract without due notice, the Employer shall deprive him of the return air passage but settle the dues including salary earned, leave, etc.

Compensation

17. Compensation in case of accidents or disability from injury or death arising out of and sustained by the Employee in the course of his employment, shall be determined according to the local labour laws.

Entry Permit

18. (a) The obligation to obtain valid entry/work permit for the Employee shall be that of the Employer. The fee required to be deposited for obtaining a work permit or a residence permit will be payable by the Employer and these amounts shall not be deducted from the salary of the Employee. Getting work permits/residence permits renewed in time shall be the responsibility of the Employer and in case of any delay in getting this done, the Employee shall not be liable for any legal proceedings that might be initiated in this matter. The liability will fall completely on the Employer. Within a month of the arrival of the Employee, the Employer will obtain the required permits, get the Employee/Employees registered with the Embassy of India and provide identity cards for them. At all times the passports will remain in the possession of the Employer/Indian Embassy.

(b) The Governmentwould ensure speedy issue of work permits and residence permits to Indian worker, entering the on individual or group employment visas issued by the competent authorities.

The concerned..... authorities would ensure that the Indian workers are not deprived of their passport and travel

documents by the Employers or by any other persons since the passport and travel documents are the property of the Government of India.

Death

19. In the case of death of the Employee during the tenure of agreement, it shall be the responsibility of the employer to arrange at his expense disposal of the dead body according to the deceased's religious practice and to send to India;

- (a) the personal effects of the deceased Employee; and
- (b) the legitimate earnings and savings of the Employee in that country.

Settlement of dispute

20. (a) Any dispute arising with reference to this contract shall be submitted to conciliation/arbitration machinery within the framework of the local labour laws. However, during the arbitration, a representative of the Indian Embassy shall be associated. The decision of the arbitration shall be final and binding on both the parties.

(b) In case the Employee is not allowed to work during the period of arbitration, the Employer should not evict the Employee from his accommodation. In addition, subsistence allowance equal to half the monthly salary should be paid.

Fee

21. No part of the fees paid to the Government in respect of the migration of the Employee or the security deposit shall be borne by or recovered from the Employee directly or indirectly by deducting from his remuneration or otherwise howsoever.

Terminal benefit

22. The Employee shall also be entitled to receive terminal benefits such as gratuity, bonus and other benefits as may be provided under the local labour laws. In the absence of such laws, these benefits shall be prescribed by the Employer.

23. All local labour legislation in the shall be considered complementary to this contract. Any provision in this contract coming into conflict with this legislation shall be null and void unless it is more favourable to the Employee.

IN WITNESS whereof the parties to the Agreement have set their respective hands on the day and year mentioned above.

