

# **Globalisation, Migration and Remittances: A Study of Indian Emigrants in Middle-East.**

**Dr. Naresh Kumar<sup>1</sup>**

## **Introduction:**

Recently released statistics by the Migration and Remittances Fact book 2011 shown 3 per cent of the world populations are living out of their countries of birth<sup>2</sup>. It constituted around more than 215 million world populations. India is also one of the major contributors of this population. People of Indian origin constituting a global community of over 25 million people are emerging as the newest successful Diaspora<sup>3</sup>. Whether they come from Africa, Asia, the Americas, Australia, the Caribbean or Europe, they are Indians in body and spirit. Most people of Indian origin living in developed countries have become highly successful in business and professions. If their professional expertise and financial resources are to be pooled together, it will benefit not only people of Indian origin but also their countries and India. Of the 25 million, about 50% constitute the first generation immigrants from India and their immediate families, generally termed as non-resident Indians (NRIs). Gulf Cooperation Council (GCCs) is one of the major migration corridors from India in the world<sup>4</sup>. About 6 million Indian migrants are working in the gulf region. Migration to GCC (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) countries is not a new phenomenon; it was started in 1930s when the discovery of oil in the Gulf region but that time flow relatively small. Migration towards the gulf region become more prominent during early 1970-1973 due to oil boom led to an extremely rapid increase in the demand for foreign labour for the infrastructure development project. These countries attracted migrants' people across the world, especially from the South and South-east Asian countries such as Pakistan, Indian, Bangladesh, Malaysia, Indonesia, Sri Lanka and so on. India is also one of the labour contributing countries in the Middle East. Indians are working as skilled or unskilled/ semi-skilled occupation there. They are the important source of remittances at the place of origin. According to latest data of World Bank regarding the remittances, India stands the first position (\$55.0 billion) among top 20 countries<sup>5</sup>. Remittances has been plying vital role to reducing poverty and increasing household income specially those workers whose were not involved any economic activity in India before emigration. Indians are

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<sup>1</sup> Kumar N., is an assistant professor in Central University of Gujarat. This is working paper; do not quote without author permission.

<sup>2</sup> *Migration and Remittances Factbook 2011 Second Addition, The World Bank*

<sup>3</sup> *Pravasi Bharatiya, April 2012, Volume 5, Issue 4.*

<sup>4</sup> *Migration and Remittances Fact book 2011, Second Addition, The World Bank*

<sup>5</sup> *World bank Report 2011*

engaged in so many fields whether professional, services, technical. In India, Kerala, Tamil Nadu, Andhra Pradesh and Karnataka are the major emigrants' states in terms of absolute numbers. It has been also seen the emerging trend some of the new states, like Uttar Pradesh, Bihar, Jammu & Kashmir, West Bengal.

### **Objectives:**

1. To understand the interlink-ages among globalisation, migration and development.
2. To study the regional distribution of Indian Diaspora population across the world.
3. To identify trend and state wise pattern of Indian emigrants to the gulf Countries.
4. To study the impact of remittances at the place of origin of migrant workers.

### **Data Base and Methodologies:**

Data has been collected from National and International documents such as MOIA (Ministry of Overseas Indian Affairs, Government of India), Protector General of Emigrants (Ministry of Labour), Ministry of External Affairs, National Sample Survey Organisation (NSSO), Office of the Registrar General of India and Census Commissioner, ILO (Indian Labour Organisation), IOM (International Organisation of Migration), and United Nations (UN). All this data has been analysed in analytical way. Primary data has been collected through ethnographic study foreign returned migrants' respondents in India.

### **Literature Review:**

Globalisation and migration are associated to each other. India is also one of the countries where the effect of globalisation in different level can be seen. India shares their largest work force in international market. Approximately 25 million of Indian diaspora population are engaging in skilled, unskilled and semi-skilled occupation in different countries in the world. These communities whether are they permanent resident or temporarily not only contributing the economy of host societies as well contribution in sending countries. They have been transferring remittances, ideas, knowledge and further job opportunity in their countries. Hein De Haas (2005)<sup>6</sup> argued about the relationship between migration and development with the help of primary and secondary data set. His study shows that migrated communities those residing in the global North, have been contributing development in Global South. Impact of remittances and its other dimension not only contribution the National Income also contributed across region specific and household level. Poverty reduction and income of household level increase have been seen increased in migrants household compared to Non-

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<sup>6</sup> Hein De Haas(2005), International Migration, Remittances and Development: Myths and facts, Third world Quarterly , Vol.26,No.8, PP 1269-1284

migrant workers. Azeez. A. & Begum, M (2009)<sup>7</sup>, they argued about the role of Indian diaspora communities and its impact on Indian economy. This study shows that 25 Indian are living outside across different country in a form of PIO and NRI. Among them majority are working in the gulf country almost 6 million. They basically belonging different states of India. They are working in GCC countries as contract job in different diversify occupation. Majority of the population are unskilled and semi- skilled. They remitted money in the sending counties as cash or other related forms. With the help of secondary data analysis it has been found positive impact of the remittances at the Household level and National GDP. Impact of remittances can be seen some of the southern states of India at local, national and global Level. India stands rank one in the world in terms of absolute remittance. IOM (2013)<sup>8</sup>, in this background paper mainly discussed about role of diaspora community in contribution of homeland. There is no widely accepted universal definition of “diaspora”<sup>9</sup> term used to signify many different phenomena. According to MOI Diaspora stands for “Emigrants and their descendants, who lie outside the country of their birth or ancestry, either on a temporary or permanent basis, yet still maintain affective and material ties to their counties of origin”. This study shows that how diaspora communities playing their significant role in development of their origin countries. They are ties across different country with the help of transnational network and contributing the society in which they live. They are mobilising the resources in a way that links, directly or indirectly, two or more countries. These diaspora people are contributing in the home countries into different dimension such as “Capital”, human social, economic, cultural. With the help of policies and programme between two countries to make strong ties among them can be further strengthening the contribution.

## **Section A**

### **Globalisation, Migration and Remittances: In Perspective of Indian Migrants.**

In today most of the regions of the world are getting increasingly interconnected. This interconnectedness across countries has many different dimensions social, political, cultural and economic. Globalisation is a process of integration of services, trade, labour, foreign investment etc. In today world each countries has been affected by the process of

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<sup>7</sup> Azeez,A & Begum,M (2009) Gulf, Migration, Remittances, and Economic Impact, Journal of Social Sciences,20(1): 55-60.

<sup>8</sup> IOM (2013) Diaspora and Development: Bridging Between Societies and States, International Dialogue on Migration 2013 –Diaspora Ministerial Conference.

<sup>9</sup> Diaspora means “ *Emigrants and their descendants, who live outside the country of their birth or ancestry, either on a temporary or permanent basis, yet still maintain affective and material ties to their countries or orgin*”

globalisation. Migration is also one of the important dimensions in the process of globalisation. In the arena of globalisation people movement one country to another has been increased. Information and communication technology and rapid development in transport sector further facilitated the movement of people on country to another country. India is also of the major country where this trend easily seen. Now people can easily get aware of the demand of workers in the particular services any country in the world. Indian government is playing also important role to promote Indian for work in other countries after the adopted liberalisation policy in India. International migration is not a new phenomenon. According to MOIA reports currently 25 million Indian are residing outside of the countries and maintain tie in the homeland country. Major segment of this diaspora population are working in GCC countries as temporary or contract workers. They almost constituted 6 million populations. These countries are facing the shortage of workers in different project particular oil refineries and construction industry and recreational infrastructure. To full shortage for labour in their countries they allowed immigrants from other parts of the World. Moreover those are working there belong the South Asian. Majority of are Indian. India is the country which contributed large workforce in the gulf countries. They engaged in diversify types of occupation. Poverty and high unemployment, low wages, poor standard of living, limited financial support of the government and allied agencies , low creation of job in the formal and informal sector have been contributing out migration from different states of India. All these problems have been further aggravated at the rural and village level in India. Indian Workforce contributes to the development of both sending as well as receiving countries even though the contribution to sending country is significant. Development of significant level has been seen at the national as well as the micro level or household level in terms of household earning, food, health, housing and educational standards. This significant level of change also has been also seen at the community level.

### **Section B. Regional Distribution of Indian Diaspora**

India is one of the nation in world which emigrated (those who leaved their India for certain purposes) large number of international migrants. In Indian society has much diversity in terms of ethnic, language, religion, caste and culture). They migrated different parts of the countries in the world from village, town city. A reason of migration has been different at individual level. According to Ministry of overseas Indian Affairs (MOIA)<sup>10</sup> currently 30

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<sup>10</sup> MOIA 2012

million Indian as form of PIO (Those emigrated before independence), NRI (those emigrated after independence) are residing outside of country from their place of birth. They have been working in different field such as academic, technical, professional, services, hotel etc. many of them renowned in their field across the globe. Majority of them emigrated as form of indentured workers, now mostly settled in the host societies like Fiji, Caribbean Island countries. They constituted almost 50 per cent of Indian diaspora population. When India becomes independent after 1947, majority of the skilled population has been immigrated to the developed countries such as USA, UK, Australia, Singapore etc. This trend of changes has been done with the improvement of education system, new technology (Information and Communication Technology) and speedy mode of transport system. Table: 1 show that nearly 4 million Indian immigrants are working the North America (USA and Canada) and 2.5 million are working different European countries (U.K., Netherlands, Germany, Austria, Switzerland) etc. Indian also make strong identity even in the South and South East Asian countries (Malaysia, Singapore, Myanmar) etc.

GCC (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates) countries are one of the best known migrant corridors in the world. These six countries are not only attracting migrant workers from India but also attract workers from other south and South-East Asian countries. Indian diaspora is found significantly among all these migrant communities living in the Gulf countries. Indian population almost spread all over the world and make significant diaspora in the world after China. Out of 30 million almost 6 million Indian migrants workers are engaged in various kinds of jobs in these six GCC countries<sup>11</sup>. They are mainly getting employment in three kinds of jobs: 1) white collar jobs (doctors, nurses, engineers, architects, accountants, and managers); 2) semi-skilled workers or blue collar jobs (craftsman, drivers, artisans and other technical workers); 3) unskilled labourers in construction sites, farmlands, livestock ranches, shops, stores and households maids, domestic works. The first category of workers or skilled labours almost comprises about 30 per cent of the total Indian immigrants in the gulf countries. Second and third categories comprise almost 70 per cent<sup>12</sup> of the total Indian immigrants. Within the GCC countries, Kingdom of Saudi Arabia (KSA) and United Arab Emirates (UAE) are the most popular destinations of Indian immigrants and together they contributed more than 60 per cent of the total deployment of Indian migrant workers.

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<sup>11</sup> *Pravasi Bharatiya July 2012*

<sup>12</sup> *Khadariya Binod (2010), Paradigm Shifts in India's migration policy towards the Gulf, Middle East Institute Viewpoints.*

**Table: 1 Indian diaspora Numbers**

S. No	Countries	Numbers
1	North America (Mostly USA & Canada)	4.0 Million
2	South America (Trinidad & Tobago, Guyana, Surinam, Jamaica, etc.)	1.6 million
3	Europe (U.K., Netherlands, Germany, Austria, Switzerland, etc.)	2.5 million
4	Africa (South Africa, Mauritius, East African countries, etc.)	2.7 million
5	Middle East (UAE, Saudi Arabia, Kuwait, etc.)	3.6 million
6	Far East & South East Asia (Malaysia, Singapore, Myanmar, etc.)	5.0 million
7	Pacific Island (Fiji, Australia, New Zealand)	0.7 million
8	Sri Lanka and Nepal	4.9 million
	<b>Total</b>	<b>25.0 million</b>

*Source: Since hard numbers have not been available, these are approximate estimates and obtained from individual country statistics and from the report of the High Level India Diaspora Committee appointed by Govt. of India*

**Table: 2 Indian Diaspora in GCC Countries**

S.No	Name of GCC Country	Indian Diaspora ( Million)
1	<b>Saudi Arabia</b>	2 million
2	<b>UAE</b>	1.7 million
3	<b>Kuwait</b>	0.64 million
4	<b>Oman</b>	0.7 million
5	<b>Bahrain</b>	0.35 million
6	<b>Qatar</b>	050 million
Total		<b>5.94 million</b>

*Source: MOIA2012*

### **Section C: Trend and Pattern of Emigration to GCC countries**

As discussed earlier that Indian emigration to gulf countries is not a new phenomenon. It was started 5000 years back. Census of India and any other Government agencies do not have systematic records of Indian out migration into these countries or other countries. Mostly result based on the sampled and worked done by the different author in respective countries. Information collection was mainly started in 1983 when the government of Indian take initiative for keeping records of Indian emigrants living in other countries. It comes under the preview of Ministry of Overseas Indian Affairs (MOIA). This was attempting to safeguard the interests of Indian nationals working abroad and also to protect them in case of any adverse or unfortunate event occurring in their country of work. Emigration Act, 1983 requires all workers seeking contractual employment abroad to seek emigration clearance from any of the eight offices of the Protectors of Emigrants (POEs). The act also mandates that no agency or establishment can undertake recruitment of Indians for employment abroad without obtaining registration from the Protector General of Emigrants (PGE), under MOIA.

The Protector General of Emigrants (PGE) headquarter is situated in New Delhi. It has eight offices of Protector of Emigrants functioning under the overall control of PGE. According to MOIA, the process of grant of emigration clearance has been decentralized for the convenience of the applicants. Eight offices of the Protectors of Emigrants have been established at Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Chandigarh, Cochin and Thiruvananthapuram. Emigration Act 1983 keeping records of workers in only those who require Emigration check before leaving India. It has divided emigrants' workers those who required Emigration Check and those under the Emigration Check Not Required (ECNR). First categories mainly Government include the semi-skilled and unskilled workers while the late categories comprises the skilled workers, professional, businessman. These categories have been marked on the basis of occupation. In March 17 categories of workers are exempted from emigration clearance (ECNR stand for Emigration Check Not Require) mainly skilled workers. As the partial recorded data government only provide statistics of emigration clearance persons. In the absence of well-regulated rules and procedure for recruitment of workers, the statistics on emigration clearance and employment abroad and the outflow for the period till 1983, quite unreliable.

The massive migration from India to the gulf countries started after the oil boom in 1973, with increasing oil revenues and stimulated large scale economies activities in the GCC countries. According to Winckler (1997)<sup>13</sup>, they used oil revenues money in different purposes like development of infrastructure including energy stations as well as administrative and governance apparatus, development of infrastructure including energy stations as well as administrative and agriculture sectors, improvement of social services, including health care and education. The enormous flow of oil revenues during the oil boom decade (1973-82) converted the desert economies into one of the fastest growing regions of the World. After the end of oil boom decade (1973-1982), a country situation emerged; oil fallen to one of the lowest levels ever, leading to severe shortfall in oil revenues; hence , overall economies performance plummeted too from the high level of the earlier decade (Al-Kibsi 2007).

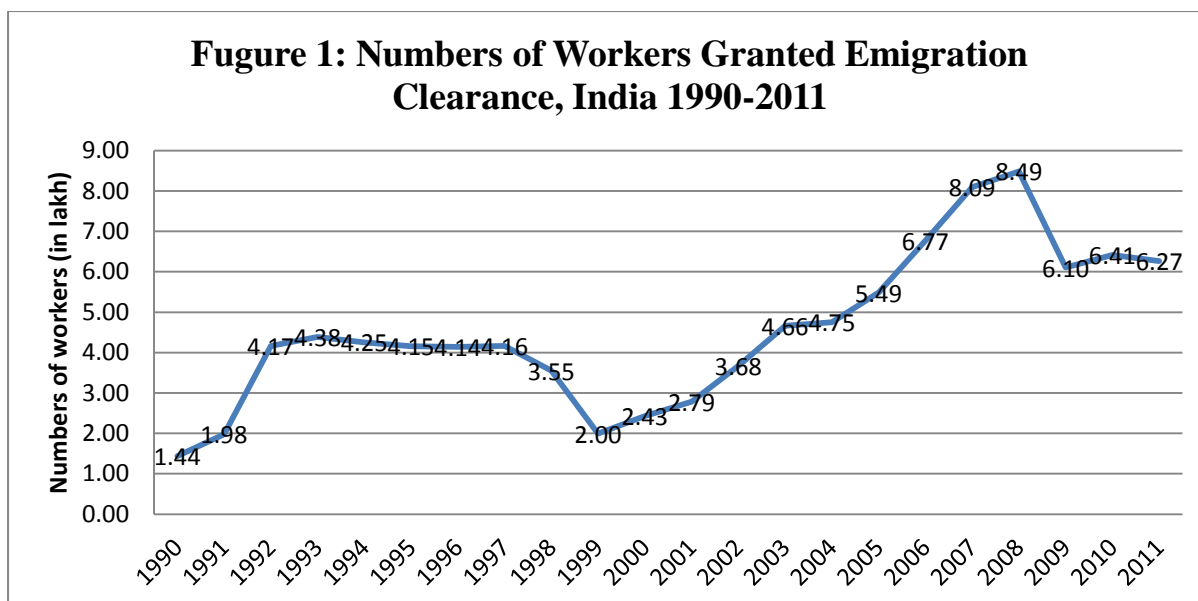
Due to inability of systematic records of movement of people before the 1990 It is very difficult to find out certain logical conclusion to see the trend or pattern of migration towards the Gulf Countries. On the basis of Emigration Check require (ECR) statistics data (1990-

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<sup>13</sup> Winckler, Onn (1997) , The immigration Policy of the Gulf Cooperation Council(GCC) States, Middle Eastern Studies,33 (3): 480-98

2011) any citizen who obtained ECR for leaving work any country of the world. With the help of this systematic records or data about the emigration we have identify the different phases of Indian Emigration towards the GCC countries. Broadly it can be dividing into five phases. **First Phase** (1990-1993); in these three years inclined trend of labourer had been noticed of Indian emigrants in GCC countries. For this reasons were demanding foreigners' workers for various infrastructural project low immigration control policy, during gulf war in late 1990 most of Indian emigrants come back to their home due to political crisis. **Second Phase** or partial constant trend (1993-1997); between this almost consistent trends had been noticed of the movement of people towards the gulf countries. It was important period when was oil boom in gulf countries. Oil generated revenues has been used to create social services (health hospital, education institution, services sector, banking etc). Moreover, in this period average 384000 workers annually obtained work permit as contract in especially in Gulf Countries. **Third Phase** or declined trend (1997-1999); between this phase the some of the host countries especially Saudi Arabia and Kuwait adopted control and restrictive immigration policy for control non-national or non-Arab population through localisation (*Kuwaitization, Saudization, Emertization, Qatarization*). This period on an average 323000 workers annually obtained work permit as contract in especially in Gulf Countries. In this era some of the major project had been get over. It's created the saturation of labour market. They recruited the local labour for control outflow of remittances from their countries. **Fourth Phase** or again inclined trend (2000-2008): between these phases Middle-East counties like UAE have taken the positions for demand semi-skilled and unskilled workers in their project and the prices of oil increased which generate revenue for further infrastructure project. Government of India for promote of international migration have been setup various migration post for various states in India. Between this period average 471000 workers annually obtained work permit as contract in especially in Gulf Countries. **Fifth Phase** or declined trend (2009 to 2011); after 2008 outflow of Indian emigrants to GCC have been seen decline trend to GCC countries but it is absolute form are still high compare to previous decade. Between this periods an average 626000 workers had been obtained annually work permit as contract in mainly Gulf Countries. Workers get emigrants clearance towards the South-East Asia like Malaysia has been seen increased slightly. This all phases flow determine by the demand of particular types of workers in GCC countries from Asian labour market.





Source: MOIA2012

**Stock of Indian Emigrants in GCCs Countries:** On the basis of available statistics (1990-2011) of Indian emigration labourer across the different countries. It shows Indian population emigrated to different countries and temporal changed has been seen over period of time. It can easily observe five broad phases of trend and pattern of migration from India.

***First Phase (1990-1995):*** In this phase except Bahrain, Kuwait, Oman shows almost consistent trend, in case of KSA, and UAE show increasing trend or these were most popular destination countries for Indian emigrants among the GCC. Out of the total emigrant population in particular year was mostly 85 per cent were working in these two countries.

***Second Phase (1995-2000):*** The second phase is characterised by slight change in the choice of destination. Though KSA and the UAE remained most popular destinations for the Indian migrants but other states like Oman, Kuwait and Bahrain were gaining popularity.

**Table 3 Year wise growth of Indian emigrants to GCC countries 1990-2007**

Year	Bahrain	Kuwait	Oman	Qatar	K.S.A	U.A.E	Total Indian Migration TO GCC Countries
1990	4.9	0.8	25	2.7	57.9	8.7	137265
1991	4.7	3.8	12.1	NA	71	8.4	184381
1992	4.1	4.9	10.2	NA	65.8	15	402813
1993	3.7	6.4	6.9	NA	64.5	18.4	418364
1994	3.4	6	6.2	NA	65.7	18.7	404909
1995	2.9	3.8	5.8	NA	66.8	20.7	384468
1996	4.4	3.9	5.3	NA	56.6	29.8	378052
1997	4.6	3.4	7.8	NA	55.5	28.7	386473
1998	5.7	7.5	6.9	NA	35.1	44.9	300192
1999	9.5	12.2	10.3	NA	17.3	50.6	156584
2000	9	17.7	8.6	NA	33.4	31.3	175967
2001	7	17.1	13.3	5.9	33.5	23.1	232668
2002	7.6	1.8	15	4.6	36.3	34.7	273958
2003	6.3	13.8	9.3	3.6	30.7	36.4	395514
2004	5.4	12.8	7.8	3.8	29	41.2	425432
2005	6.6	8.6	9	11	22	42.8	454628
2006	6.1	7.7	11	12.3	21.7	41.2	618286
2007	3.9	6.3	12.4	11.5	25.4	40.6	770510
2008	3.9	4.3	11.0	10.1	27.9	42.7	818315
2009	3.0	7.1	12.7	7.8	47.5	22.0	592299
2010	2.5	6.2	17.3	7.5	45.1	21.4	610409
2011	2.4	7.5	12.2	6.9	48.0	23.0	603159

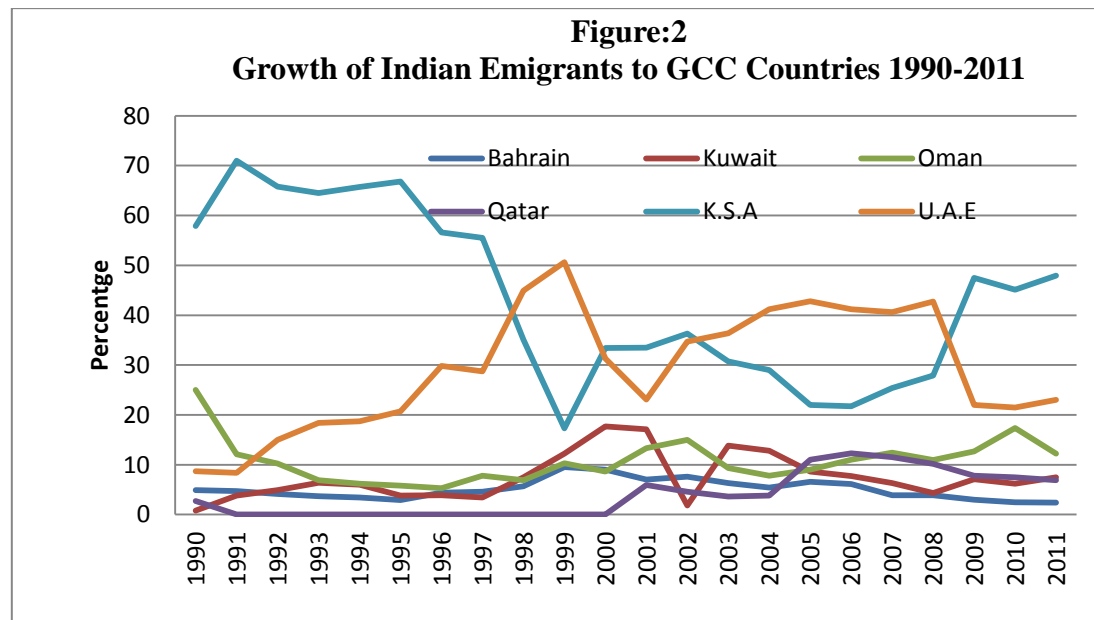
A) Source: Ministry of Overseas Indian Affairs, government of India

B) Note: to see the trend of emigrants, country/year wise percentage has been computed from raw data

Percentage of migration from India to KSA and UAE had been declined while other Gulf countries have recorded an increasing trend. Data for Qatar was not available for this phase.

**Third Phase (2000-2007):** The third phase or the latest phase shows that the UAE has maintained its position as one of the most popular destinations for the Indian immigrants to the GCC countries. The UAE receives highest number of immigrants from India, followed by KSA, Qatar, Oman and Kuwait. Bahrain shows almost consistent trend for the immigrants. **Year 2007** onwards Oman shows the continuous positive trend till 2011(Figure: 2). Other GCCs countries record consistent trend in receiving immigrants from India. Most of these immigrants are unskilled (41 per cent) and very few are semi-skilled and skilled labours (2 and 4 per cent respectively). Professionals engaged in various white collar jobs such as

engineers, technicians, paramedical staffs and office staffs accounted for only 4 per cent<sup>14</sup> of the total Indian workforce. In the past decade, there has also been significant shift in the category of Indian workers migrating to Gulf region. Now, an increasingly-large number of skilled or white-collar workers are moving to that region<sup>15</sup>.



*Source: Ministry of Overseas Indian Affairs, government of India*

### **Section: D State-Wise Variation in Emigration**

One of the most important characteristics in Indian society is unity and diversity. Indian society is heterogeneous in terms of religion, language, caste etc. Pattern of diversity can be seen across the states. Instead of diversity amongst the citizens, they maintain their identity i.e. Indian. Moreover the development patterns are not homogeneous across the states. Certain regions are more developed or prosperous and some are partially or less developed in terms of industry, infrastructure. Most of the place in the Indian map have seen the different pattern or level of development whether it is rural or urban or village to cities. Movement of people one place to another place is also determined by socio-economic, demographic, political, cultural, and geographical (earthquake, flood, cyclone) factors. With the limitation of data coverage on so many aspect of human life, MOIA collect data on the basis of numbers of persons who had emigrated India. On the welfare point of view, Ministry of Overseas India Affairs (MOIA) is the apex regulatory body which kept the records country wise emigrant persons in the case of unskilled/ semi-skilled workers. These workers require emigration

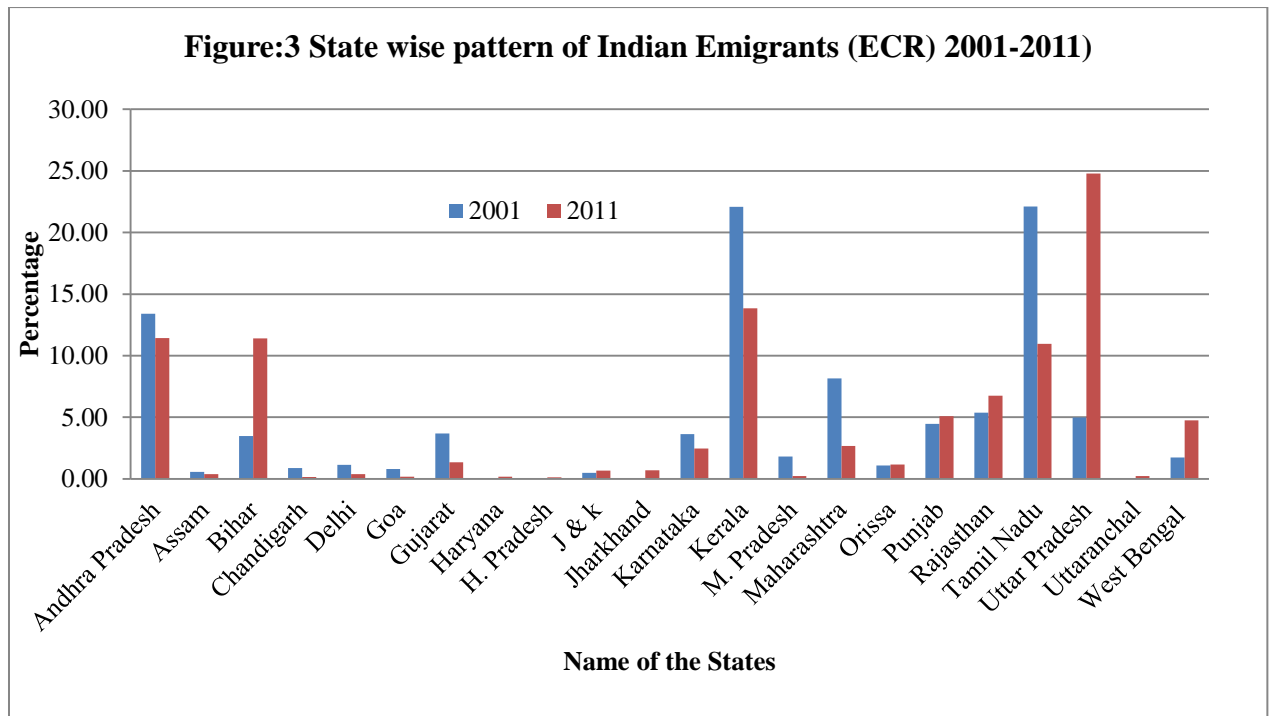
<sup>14</sup> Zachariah, Prakash, Ranjan 2002, Gulf migration study programme, working paper no 2.

<sup>15</sup> Pravasi Bharatiya | July 2012

clearance before getting employment in GCC states and other countries. MOIA provides state wise break-up of the numbers of workers granted emigration clearance since 1993. Here we used the statistics to see the trend and pattern of Indian emigrants in 2001-2011. For this we computed state wise percentage on the basis of total numbers of Indian emigration. As earlier discussed in the trend of migrants' workers in figure no 3 showed that after year 2000 continuous onwards trend have been recorded in India emigrants workers till 2008. Afterwards year 2008 it has been noticed declining trend of getting emigration clearance. If we look the spatial pattern of out migrating persons in state wise Indian. We had noticed year 2001, Kerala stands ranks first positions of generate bulk of emigrants (22.09 per cent) followed by Tamil Nadu, Andhra Pradesh, Maharashtra, Rajasthan, Uttar Pradesh, Gujarat, Bihar, Karnataka. These states altogether constituted about 85 per cent of total Indian emigrants (Figure No: 3). These are the major Indian states which contributed large numbers of emigrants into gulf countries. If we look again into the data of trend and pattern of Indian emigrants persons who get clearance in year 2011 and compared with 2001, it shows major state wise shift of Indian emigrant workers. In 2011 statistics, Kerala holds the second rank in terms of absolute numbers of emigrants workers of total emigrants. In 2011 data shows that Uttar Pradesh has the largest numbers of emigrant with constituted around 25 per cent followed by Kerala (13.8 per cent), Andhra Pradesh , Bihar, Tamil Nadu, Rajasthan, Punjab And West Bengal. Other states individually constituted less than 1 per cent of emigrant workforce. It is interesting finding between one decade data that earlier those states were shown predominant positive trend in 2001, have been noticed negative trend in year 2011 data. These focused states are Kerala, Tamil Nadu, Andhra Pradesh, Maharashtra while the other northern Indian states Uttar Pradesh, Bihar, Punjab, West Bengal shows the considerable positive trend of generate emigrant workers. The reasons of shift might be to compilation of major project or controlled unskilled immigration of the respective countries given the preference their citizens, search other avenues in south East Asian countries, face of harassment of destination site. The pattern of Indian workers migrating to Gulf countries is the geographical spread. "Now there are more number of people from the north, north west and west of India coming to Gulf countries, compared to those from south India"<sup>16</sup>

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<sup>16</sup> Kurian Kuriakose, chairman of the Doha-based, Morison Menon Chartered Accountants, July 2012 / Pravasi Bharatiya



*Source: MOIA 2011-2012*

### **Section: D Globalisation, Migration and Remittances: A Macro and Micro study**

Globalisation, migration and development are highly interdependent processes. When people moved one geographical or administrative boundary to another boundary is not only effect the place of destination, he/she also affects the place of origin or sending country. Development affect can be seen at different level at individual, family, village, community and national. These developments may be in form of economic, social, demographic, cultural, infrastructural, and political. On the basis of substantial support of data here we discussed about the Indian migrants workers in Gulf countries in the context of development at different point of view. How is remitted amount or kind contributing for the benefit in their family? How often are they invested in such a way to promote sustainable economic development? Is remitted money has important role in the national economy?

**A. Macro Level Economic impact:** Migrants played quite significant role in their origin country. This impact can be easily seen in local and national economy. Indian immigrants in gulf countries remitted money to back home. As already discussed most of the Indian migrants in the gulf are semi-skilled or unskilled almost 70 per cent only 30 per cent are skilled persons<sup>17</sup>. Most of Indian migrants in gulf are male selective and younger age group. They remitted money to back home in the form of

<sup>17</sup> Khadariya Binod (2010), *Paradigm Shifts in India's migration policy towards the Gulf*, Middle East Institute Viewpoints.

cash and kind. Money remitted by them is also varies with characterises of the origin family, across the regions, state and with type of migration. Mostly emigrants to gulf from Indian belongs villages than urban areas. Certain question click in my mind why they remitted money? What is the use of it? How they remitted money? What is importance if remittances in their life? If we look the statistics of flow of remittances in countries wise. Indian holds the first position, followed by China, Mexico, Philippines, and France. According to the lets estimate by the World Bank 2012, India received highest remittance from the abroad about (\$ 64 billion), It's almost contribute 4 per cent of India National GDP<sup>18</sup>. In 2005, it was (\$ 15 billion) and contributes about 3 per cent of the gross national product (Steve 2005)<sup>19</sup>. High-income countries are the main source of remittances. The United States is by far the largest and Saudi Arabia ranks as the second largest, followed by Switzerland and Russia of remittances sending countries. Here we are only considering the formal remitted amount by the migrants to their home land. There is also another parallel source of amount transfer by the migrants known as informal source or *hawalla*<sup>20</sup> transfer money to back home. Indian immigrants in the Saudi Arabia, UAE and Middle-East countries also used transferring money through *hawalla* in their origin place. We can easily observe the positive impact of remittances in the case of Kerala economy. Compared to Indian economy whose share in remittances from all countries of about 3 per cent of the GDP, the share Kerala is 22 per cent of NSDP (Net State Domestic Product) (Irudaya 2003, Zachariah 2004). The effect of remittances on Kerala's per capita annual income in 2003 was an increase of Rs 5,678 (Zachariah and Irudya 2004). The Kerala's per capita income reached 49 per cent above the national reached 49 per cent above average in 1999-2000 (Kannan and Hari 2002)<sup>21</sup>. In 1991, when India was facing the serious balance of payments crisis. Migrant remittances played significant role to maintain foreign reserve of Indian with the help of run the India economy. In this year foreign exchange reserve had fallen to level barley adequate to meet essential imports for just a few weeks. The Indian migrants in

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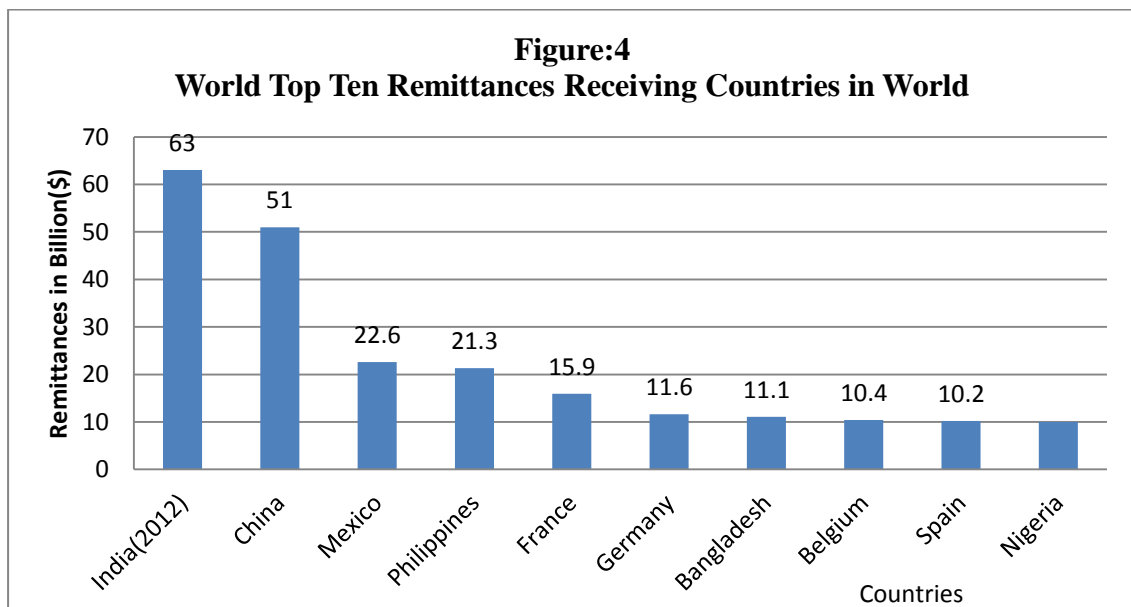
<sup>18</sup> *Migration Factbook 2011*

<sup>19</sup> Stev R 2005, *Dubai's Kerala Connection*, Yale Golbal Online, [www.yaleglobal.yale.edu](http://www.yaleglobal.yale.edu)

<sup>20</sup> **Hawala or Hundi** is an [informal value transfer system](#) based on the performance and honor of a huge network of money brokers, which are primarily located in the [Middle East](#), [North Africa](#), the [Horn of Africa](#), and the [Indian subcontinent](#).

<sup>21</sup> Kannan Kp, Hari KS 2002, *Kerala's Gulf Connections: Emigration Remittances and their Macroeconomic Impact 1972-2000*. Working paper nO 328, CDS

the developed countries withdraw their dollar deposits from Indian banks abruptly<sup>22</sup>. These problem oriented immediate action for India to avoid defaulting on its international obligations or face a collapse of its economy for want of official imports (Kelegana and Parikh 2003)<sup>23</sup>. It was slowly but steadily growing remittances from the Indian unskilled workers in the Gulf region which saved the situation for India. According to the Reserve Bank of India (RBI) estimates, the Gulf region accounted for an average 27 per cent of the total remittance inflows to India between 2006-07 to 2009-10. In the year of global economic crisis in 2008-09, Gulf countries accounted for nearly 31 per cent of the total remittance inflows to India. In 2011-12, India's trade deficit increased to nearly \$170 billion<sup>24</sup>. However, remittances from overseas have been an important source of foreign currency in India and can help in addressing the balance of payment issue. Government revenue increase with the outflow of emigratns to abroad in various form fees of Visas, departure taxes, international telephone calls and so on. All of these facilities had been used by the migrant workers directly or indirectly.

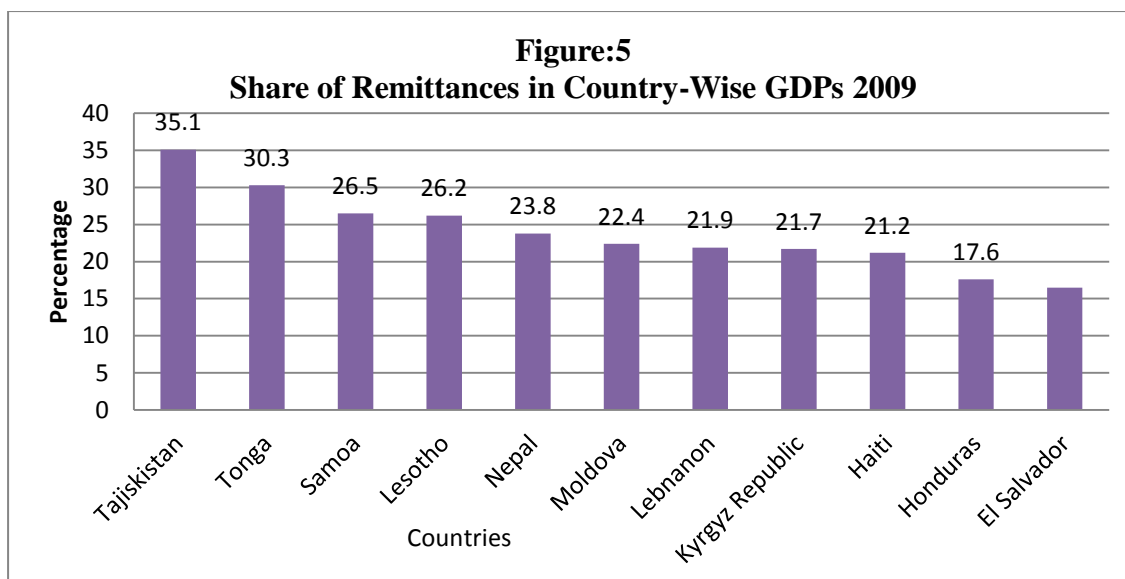


**Source:** Remittances data, Development Prospects Group, World Bank, 2011

<sup>22</sup> Kahdariya Binod 2011 *Bridging the Binaries of skilled and Unskilled Migration from India*, Dynamics of Indian Migration; Historical and Current perspectives, Edited By S, Irudaya Rajan, Marie Percot , Routledge, New Delhi

<sup>23</sup> Kahdariya Binod 2011 *Bridging the Binaries of skilled and Unskilled Migration from India*, Dynamics of Indian Migration; Historical and Current perspectives, Edited By S, Irudaya Rajan, Marie Percot , Routledge, New Delhi pg 273-274

<sup>24</sup> Pravasi Bharatiya | July 2012



**Source:** Remittances data, Development Prospects Group, World Bank, 2011

**B. Micro Level Impact:** Remittances are playing very significant role at the micro level for instance village or households and families level. It has a quite significant importance it particularly in the poorer household in Indian society<sup>25</sup>. It plays crucial role for reducing abject poverty in certain areas. In case of Indian diaspora in gulf most of the migrant persons are unskilled and semi-skilled. They have no choice or any alternative jobs in the place of origin. They are marginalised in different ways; abject poverty, no frequent job, housing, education, saving, debt etc. Job opportunity plays very significant role in their life. Once they get the jobs various positive changes have been seen in their life after migration. These all the changes easily can be seen in different mode of ways like housing, children education, saving, purchasing power, paying debt, transportation, town planning, decision making, etc. When the low skilled or unskilled people migrants, this workers tend to send more remittances than professional and low or unskilled workers tend to come from poorer families so any economic benefit from their departure. According to the Kerala migration Study conducted by Centre for Development Studies, Thiruvananthapuram, an index of the value of the house of an emigrant shows 7.05 compared to 4.3 of a non-migrant. Same time 87 per cent of migrant houses were found electrified compared to 66 per cent of the non-migrants (Zachariah et al, 2002)<sup>26</sup>. The impact of

<sup>25</sup> According to census definition household a group of persons who commonly live together and would take their meals from a common kitchen unless the exigencies of work prevented any of them from doing so'

<sup>26</sup> Azeez A and Begum M ( 2009) Gulf Migration, Remittances and Economic Impact, Journal of Social Sciences , 20(1); 55-60(2009)



development also can be seen in other aspects like commercial sector, educational institutions, vocational training institute, created hostel, commercial complex, and jewellery outlets. The impact of remittances can be quite considerable at families and village level but at the regional or national level (the macro level) their impact is less clear.

**C. Movement of People:** Indian has 1.22 billion populations in the world<sup>27</sup>. India has the 2<sup>nd</sup> rank in the world in terms of population size after China. Indian population are also facing unemployment and under employment. India is one of the developing countries in the world which have the largest (60 per cent) working age group (15-54) population due to high birth rate. The growth of job opportunity and population growth rate has a huge gap. Most of the population in India engaged in disguised employment. On the other side GCC countries has shortage of working population for work in their industries and huge demand of foreigner in their various fields. This demographic difference provides opportunity for Indian to work in Middle- East countries. India has the largest number of expatriates in gulf countries among immigrants population. These six countries open the window of opportunity for Indian workers especially in unskilled and semi-skilled. So that, we can easily say that there is no brain-drain in the context of Indian migration to gulf countries. It is estimated that every year six lakh Indian are getting employment in the gulf region. This considerable numbers play very significant role in the labour market. The Kerala Migration study of 1998 notes that the unemployment rates in Kerala state has reduced by about 3 per cent as a consequence of Migration (Zachariah et al. 2002)<sup>28</sup>. It is in the case of gulf migration of Indian population most of the workers are incipient diaspora<sup>29</sup>, the host societies do not allow to them to assimilate or bring their families in the case of unskilled labourer. In the case of gulf migration most of the workers are not engaged in permanent job in the host societies.

**D. Other Dimensions:** The return of migrants—whether permanent and temporary bring benefit in many ways. In economic terms, returns workers brings useful knowledge and contacts from overseas, and can provide an important means for transferring skills. Migration also plays of important role of creating chain migration of their

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<sup>27</sup> Census of India 2011

<sup>28</sup> Zachariah, KP Kanna, S Irudaya Rajan(Eds); *Kerala Gulf Connection; CDS Studies of International labour migration from Kerala State in India*, Thiruvananthapuram; centre for development Studies pp 13-45

<sup>29</sup> P C Jain, "An Incipient Diaspora: Indians in the Gulf Region", in PC Jain (ed.), *Indian Diaspora in West Asia*, Delhi: Manohar, 2007, p.181 and Annual Reports, Various years, Ministry of External Affairs, Government of India.

relative/native village/city within country and with the help of social networking. Whenever, they come back after completion of project with earned money or remittance or not want to go again earlier destination countries. They used their saving in many ways for open new business/ enterprises or create opportunities for. They are playing very significant role in the local labour market. There are other dimensions to see the development through the migrant workers, Such as bilateral trade are growing strongly, UAE the largest trade partner of India. Expansion in business ties largely supported by the Indian diaspora in GCC and growing bilateral trade negotiations significant of Indian workers in white collar job. India has emerged as the second-largest trading partner of the GCC countries, only slightly behind Japan. Shift of occupation mobility of workers also have seen in the context of Indian migration to GCC states.

### **Conclusion**

The above evidence indicated that migration played crucial role for the development of any national economy. Under the globalisation process now people can move one country to another country. The movement of people further strengthen with the emergence of new information technology (ICT) and rapid mode of transport. Migration and development can be seen positive and negative aspect of both the place of origin and destination. In the case of Indian migrants in GCC countries positive effect have been noticed at the origin places (India). These changes have been noticed through different primary studied done by academicians with compare of non-migrants workers in India. About 70 per cent of Indian workers in gulf are from the peripheral regions of India, majority of them are the part of absolute poverty before migration. Multiple changes have been noticed in migrant life such as earning money increase at household level/ family level, sending their children to school, re-paid loan reduce unemployment rate, purchasing housing, increasing saving, increase commercial sector etc. But, we cannot ignore the problem faced by the migrants before and after migration at the place of origin and destination countries. Some of the reported cases show that their living and working environment of workers is harsh in GCC countries. Moreover violation of human right against Indian also notices in case of domestic workers. Since globalisation is now a reality, the question is how to make globalisation more 'fair'. Fair globalisation would create opportunities for all, and also ensure that the benefits of globalisation are shared better. The government of the both countries can play a major role in making this possible. Its policies must protect the interests of all types of workers and special

attention should be given to the unskilled workers. For instance, the government can ensure that labour laws are properly implemented and the workers get their rights.