

KERALA'S EMIGRATION TO THE WEST ASIA DURING THE POST- GLOBAL CRISIS PERIOD

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OBJECTIVES

- Examine the trends in emigration to West Asia during the post global crisis period.
- Present the annual emigration from India, emigration from Kerala to West Asia, return emigration and labour market condition in UAE..
- Data source: CDS studies on migration, RGIDS studies on return emigration and emigrants in UAE.

HYPOTHESIS

- Kerala's emigration to West Asia has been witnessing a steady decline during the post global crisis period (since 2008).
- The cause is unfavorable changes in the labour market condition for migrants in West Asia, resulting in increased rate of return and fall in fresh migration.

CONTRACT MIGRATION

- Temporary migration based on a job contract between the worker and the foreign employer.
- Job contract determines wages, non-wage benefits, working conditions etc.
- The migrant has to return after the expiry of the contract period.
- Most of the migrants are single male migrants.
- Majority of the migrants are unskilled or semi-skilled.

CONTRACT MIGRATION

- A small share of emigrants are engaged in informal activities.
- Changes in labour market conditions will immediately affect migrants.
- Contract migration is more beneficial to the labour exporting countries compared to the settlement type.
- Contract migration, a good part of the wage earnings is spend in native country and the economic impacts are substantial.

CONTRACT MIGRATION

- The economic impact of the migration is large in the labour market, consumption, saving, investment and economic growth of the labour sending countries.
- Countries relying heavily on the contract migration will face recession in the event of return of a large number of emigrants.
- Kerala's emigration to West Asia is basically temporary contract migration.
- Kerala heavily rely on the migration to West Asia.

1. FALL IN ANNUAL LABOUR OUTFLOWS FROM INDIA SINCE 2008.

- There had been a fall in annual emigration of unskilled and low skilled categories since 2008.
- There was a fall in the Emigration Check Required (ECR) category of emigrants.
- Skilled and professional categories do not require emigration check.
- Annual outflow of labour indicates a steep fall in migration to countries namely UAE, Qatar, Oman and Bahrain.

- UAE witnessed the largest fall in emigration in the post-global crisis period.
- Data on annual migration of ECR category indicate a steep fall in migration to West Asia.
- Of the total annual migration from India 97 percent migrate to West Asia in 2012.

Table 1**Number of workers granted emigration clearance from India(ECR category**

Year	Number of workers(In Lakh)	Growth (Percent)
2001	2.79	-
2002	3.68	31.9
2003	4.46	21.2
2004	4.75	6.5
2005	5.49	15.6
2006	6.77	23.3
2007	8.09	19.5
2008	8.48	4.8
2009	6.10	-28.1
2010	6.41	5.1
2011	6.27	-2.2
2012	7.47	19.1

Source: Ministry of Overseas Indian affairs, Annual Reports

Table 2**Number of workers granted emigration clearance from India (ECR category)**

Country	2008	2009	2010	2011	2012
Bahrain	31924	17541	15101	14323	20150
Kuwait	35562	42091	37667	45149	55868
Oman	89659	74963	105807	73819	84384
Qatar	82937	46292	45752	41710	63096
S. Arabia	228406	281110	275172	289297	357503
U.A.E	349827	130302	130910	138861	141138
Other countries gulf	7058	5509	9148	3748	3025
Others	22621	12462	21798	19658	21877
Total	847994	610270	641355	626565	747041

Source: Ministry of Overseas Indian Affairs, Annual report 2012-13

Table 3**Growth rate of workers granted emigration clearance from India (in percent)**

Country	2008-2009	2009-2010	2010-2011	2011-2012
Bahrain	-45.1	-13.9	-5.2	40.7
Kuwait	18.4	-10.5	19.9	23.7
Oman	-16.4	41.1	-30.2	14.3
Qatar	-44.2	-1.1	-8.8	51.3
S. Arabia	23.1	-2.1	5.1	23.6
U.A.E	-62.8	0.5	6.1	1.6
Other countries gulf	-21.9	66.1	-59.0	-19.3
Others	-44.9	74.9	-9.8	11.3
Total	-28.0	5.1	-2.3	19.2

Source: Ministry of Overseas Indian Affairs, Annual report 2012-13

2. Trends in emigration from Kerala.

- Estimates of CDS indicated a steep decline in the growth of stock of emigrants in West Asia during the post global crisis period compared to pre-crisis period.
- Growth of the stock emigrants in West Asia between 1998 and 2003 was 28%.
- Between 2003 and 2008 the growth rate was 18.6%
- Between 2008 and 2011 the growth of total emigrants was 5%.
- Between 2011 and 2014 it was a negative growth rate.

- Another change was the change in the destination of migration during the post global crisis period.
- There had been an increase in the share of emigrants to non-gulf countries.
- On the other hand there had been a decline in the share of Keralite migrants in the Gulf.
- These evidences suggest a decline in the total stock of Keralites emigrants in the West Asia.

Table 4
Country of residence of Kerala emigrants (in number)

Countries	Number				
	1998	2003	2008	2011	2014
UAE	421959	670150	918122	883313	886968
Saudi Arabia	510895	489988	503433	574739	514976
Oman	139571	152865	167628	195300	185996
Kuwait	68163	113967	129282	127782	180765
Bahrain	74654	108507	101344	101556	146472
Qatar	62969	98953	121613	148427	104623
Other West Asia	–	2047	–	6696	13368
Total gulf countries	1278211	1636477	1941422	2037813	2033168
Other countries	83744	202001	251993	242730	330143
Total	1361955	1838478	2193415	2280543	2363311

Source: K C Zachariya and S. Irudaya Rajan (2014)

Table 5
Country of residence of Kerala emigrants (growth rate in percent)

Countries	1998-2003	2003-2008	2008-2011	2011-2014
UAE	58.8	37.0	-3.8	0.4
Saudi Arabia	-4.1	2.7	14.2	-10.4
Oman	9.5	9.7	16.5	-4.8
Kuwait	67.2	13.4	-1.2	41.5
Bahrain	45.3	-6.6	0.2	44.2
Qatar	57.1	22.9	22.1	-29.5
Other West Asia	-	-	-	99.6
Total gulf countries	28.0	18.6	5.0	-0.2
Other countries	141.2	24.7	-3.7	36.0
Total	35.0	19.3	4.0	3.6

Source: K C Zachariya and S. Irudaya Rajan (2014)

Table 6
Country of residence of Kerala emigrants (Percentage share)

Countries	Percentage share				
	1998	2003	2008	2011	2014
UAE	31.0	36.4	41.9	38.7	37.5
Saudi Arabia	37.5	26.7	23.0	25.2	21.8
Oman	10.2	8.3	7.6	8.6	7.9
Kuwait	5.0	6.2	5.9	5.6	7.6
Bahrain	5.5	5.9	4.6	4.5	6.2
Qatar	4.6	5.4	5.5	6.5	4.4
Other West Asia	0.0	0.1	0.0	0.3	0.6
Total gulf countries	93.8	89.0	88.5	89.4	86.0
Other countries	6.2	11.0	11.5	10.6	14.0
Total	100.0	100.0	100.0	100.0	100.0

Source: K C Zachariya and S. Irudaya Rajan (2014)

3. Return emigration in the post global crisis period: findings of a sample survey in four districts of Kerala, 2011.

- A sample survey was conducted in four districts namely Thiruvananthapuram, Pathanamthitta, Thrissur and Malappuram in July 2011.
- The survey covered 800 sample return emigrants households having 884 return emigrants.
- 71% returned during post global crisis period (2008 and 2011).
- Except a few (2%) all of them returned from UAE, Qatar, Oman, Kuwait and Behrain.
- Majority returned from UAE (55%).

- Dubai accounts on one fourth of the returnees.
- 77% of the persons returned due to the labour related problems or loss of employment.
- Return due to labour problems: expiry of contract, compulsory repatriation, low salary, non-payment salary, cruel behavior of the employer, bad work atmosphere and low savings.
- The health problems were second major cause of return.
- Family problems such as health problems of family members, death of family members, education of children, etc were other problems.

Table 7
Distribution of return emigrants by year of return
(Return migration survey 2011)

Year	Total number	percent
1980-1989	7	0.79
1990-1999	41	4.64
2000-2005	98	11.09
2006	48	5.43
2007	63	7.13
2008	139	15.72
2009	167	18.89
2010	218	24.66
2011	103	11.65
Total	884	100.00

Table 8
Distribution of return emigrants by country of return
(Return migration survey 2011)

Sl. No.	Name of country	Number of return emigrants	Percent
1	UAE	482	54.52
2	Saudi Arabia	158	17.87
3	Qatar	62	7.01
4	Oman	95	10.75
5	Kuwait	45	5.10
6	Bahrain	29	3.28
7	Others	13	1.47
Total		884	100.00

Table 9
Distribution of return emigrants by causes of return
(Return migration survey 2011)

Sl. No	Causes of return	Total number	Percent
1.	Labour problems, lack of employment, and low savings	609	68.9
2.	Health problems	107	12.10
3.	Family problems	62	7.01
4.	Other multiple reasons	88	9.95
5.	No reason reported	18	2.04
	Total	884	100.00

Table 10
Return emigrants reported labour problems as a cause of return
(Return migration survey 2011)

Sl. No	Labour problems	Total number	percent
1.	Contract expired only	89	16.10
2.	Compulsory repatriation only	162	29.29
3.	Low salary only	168	30.38
4.	Nonpayment of salary only	62	11.21
5.	Cruel behavior of employer only	20	3.62
6.	Bad labour atmosphere only	41	7.41
7.	Others	11	1.99
	Total	553	100.0

4. Change in Labour market conditions in UAE

➤ GDP of UAE

- ✓ United Arab Emirates consists of seven emirates
- ✓ Of the total GDP the share of Abu Dhabi accounts for 55.7%
- ✓ The share of Dubai 32.3%.
- ✓ The share of Sharjah 7.7%.
- ✓ The share of other four emirates accounts for 4.3%.

➤ **Sector wise distribution of GDP**

- ✓ Crude oil and natural gas contribute 33.5% of GDP.
- ✓ Manufacturing 15.10% of GDP.
- ✓ Trade and repair service 8.6% of GDP.
- ✓ Real estate and business services 7.7% of GDP.
- ✓ Government services 7.5% of GDP.
- ✓ Transport, storage and communications 6.5% of GDP.

Table 11
UAE GDP distribution by Emirates in 2008

Total GDP (in AED Millions)	934, 262	
Sl.No	Share of GDP	percent
1	Abu Dhabi	55.70
2	Dubai	32.30
3	Sharjah	7.70
	A. Sub total	95.70
4	Ajman	1.20
5	Um Al Quwain	0.40
6	Ras Al Khaimah	1.60
7	Al Fujairah	1.10
	A. Sub total	4.30
	Grand total (A+B)	100.00

Source: KAMCO Research, UAE National Bureau of Statistics.

Table 12
Sectoral contribution to GDP in 2008

Sector	Percent
Agriculture, livestock and fishing	1.60
Crude oil and natural gas	33.50
Manufacturing	15.10
Construction	9.70
Trade and repairing services	8.60
Transport, storage and communications	6.50
Real estate and business services	7.70
Financial corporations	5.30
Government services	7.50
others	4.5
Total	100

Source: National Bureau of Statistics, Abu-Dhabi, UAE

Population and employment

- UAE had a total population of 51.25 lakhs in 2006.
- Of the total population the share of migrants 80.3%.
- Share of native population 19.7 %.
- Share of Indian population 31.45%.
- Share of Pakistani population 13.6%.
- Other nations include Arab countries, Bangladesh, Philippines, Sri Lanka, Nepal and Indonesia.
- The total UK population was 30,000.

Structure of Employment

- The structure of employment is dominated by tertiary sector.
- Primary sector – 5.8%,
- Secondary sector – 21.1%.
- Tertiary sector – 73.1%.

➤ Demand for migrant labour are mainly for following sectors

1. Agriculture and allied activities, 2. Industry, 3. Construction and maintenance, 4. Trade and repair service, 5. Hotels and Restaurants, 6. Transport and storage, 7. Real estate and business services, 8. Administration, 9. Education, 10. Health, 11. Domestic services.

➤ Almost the entire domestic service workers are migrant.

Table 13
Population of UAE : 2006 Estimate

Nationality	Population (in thousand)	percent
India	1613	31.5
Pakistan	700	13.6
Arab	600	11.7
Bangladesh	300	05.8
Others	284	05.5
Philippines	230	04.5
Sri Lanka	180	03.5
Nepal	80	01.6
Indonesian	80	01.6
UK	30	0.6
South Africa	20	0.4
Sub total Expatriates (A)	4117	80.3
UAE Nationals (B)	1008	19.7
Total (A+B)	5125	100.00

Source: UAE interact.net and DTCM website, Gulf News Reports- 2007

Table 14
Sector wise employment in UAE in 2009

sector	Number of Employees	Percent
Agriculture, hunting, forestry and fishing	1,32,831	3.8
Mining and quarrying	69,911	2.0
Sub Total -Primary (A)	2,02,742	5.8
Manufacturing	2,69,157	7.7
Electricity, gas and water	38,451	1.1
Construction and maintenance	4,29,951	12.3
Sub Total –Secondary (B)	7,37,559	21.1
Trade and repair services	5,38,313	15.4
Hotels and restaurants	1,39,822	4.0
Transport and storage	2,86,634	8.2
Financial intermediation	1,11,857	3.2
Real estate, renting and business services	2,41,192	7.0
General admin., defence and social security	4,43,934	12.7
Education	1,50,308	4.3
Health and social work	87,389	2.5
Other social and personal services	94,380	2.7
Domestic services	4,57,916	13.0
Extra-territorial organisations and bodies	3,496	0.1
Sub Total –Tertiary (C)	2555241	73.1
Total	34,95,542	100.00

Source: National Bureau of Statistics, UAE

Stagnation of wage rate : findings of a study conducted in 2013.

- Stagnation of wage rate between 2008 and 2013.
- No change in wage rate in the case of almost all categories of workers since 2008.
- The cost of living registered a steep and continues increase (rent, food, transport, medicines, consumer goods etc.).
- This has resulted a steep decline in savings (wages – cost of living).

- Due to low wage and savings the unskilled, semi skilled workers began to return to Kerala.
- Those livings with families find it difficult to survive.
- There was also a cut in non-wage benefits. (free accommodation, subsidized food, medical benefit, air ticket to return etc.)
- This is a major consequence of global crisis on the labour market.

Table 15
Wage structure of Indian emigrant workers in UAE in 2013

Sl. No	Monthly wage in Dirham	Category of Indian workers
1	Below 600	Unskilled construction workers, household worker, cleaner etc.
2	601-1200	House maid, servant, cook, construction labourer, cleaner, sweeper, office boy, watchman, waiter in small tea shops, salesman small shops, delivery boys etc.
3	1201-4000	Tailor, welder, steel fixer, draftsmen, mason, cashier, teacher, salesman, watchmen, clerk, office assistance, electrician etc.
4	4001-10,000	Forman, draftsman, heavy vehicle driver, store keeper, cashier, Manager, sales executive, accountant, marketing manager, lab technician, plant operator, small business man and traders.
5	Above 10,000	Doctor engineer, IT professional, bank manager, professional, top executive, businessman, investor.

1 UAE Diram = Rs. 14.50 at the time of survey.

Table 16
Categories of workers which witnessed decline since 2008.

Sl. No	Category	Rank
1	Production and related, transport equipment, operators and related.	1
2	Clerical and related works	2
3	Professional/technical and related	3
4	Para medical works	4
5	Sales works	5
6	Service workers	6
7	Own business	7
8	Domestic workers	8

Implementation of Emiratisation measures

- Emiratisation is the top priority of the UAE government.
- Replacing expatriates with nationals particularly in the private sector establishments.
- Increasing skills relevance and standards by improving education and vocational training for nationals.
- Incremental localization through private sector industry groups.

- Implementing social benefits for all working nationals.
- Remove the disparities in labour mobility between GCC countries.
- The wage differential between public and private sectors should be narrow down.
- Introduce quotas for nationals in particular areas of the private sector.
- Subsidized start-up loans for national entrepreneurs.
- Increase the cost of non-national labour through higher visa charges.

THANK YOU