
Trends in Indian Labour Migration to Gulf Countries from 1990 to 2019: An Assessment of Literature

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Abstract: Globalisation around the world has allowed the labour movement between the countries. International migration i.e. migration between one country to another country has become a common phenomenon. India has exported a significant number people migrating to different regions across the world under different circumstances. Large number of unskilled and semi-skilled Indian labour migration to Gulf countries is a recent phenomenon. The upward trend in labour migration to the Gulf countries started when large-scale development activities took place in gulf countries due to an increase in oil prices in the 1970s. The lack of employment opportunities, poverty, low wages and poor standard of living in India caused many Indians to migrate to gulf countries to gain economic benefits. There is a rapid growth rate of 79 percent in the Indian migrants who were migrated to GCC countries over the two decades. India was the leading country of origin of international migrants, with 17.5 million globally. As many as 9.3 million migrants are concentrated in gulf countries. India remains top among the other countries in terms of total remittances in 2019(\$83.1 billion), compared to 1990 (\$2.3 billion), and it contributed 2.9 percent of the Indian GDP in 2018-19. The present paper represents recent trends in labour migration to GCC countries from India and also attempts are made to study the volume of remittances and its impact on the Economy. The paper is based on the secondary data from the publications of the national and international organizations and existing literature is used for the purpose of the present study.

Keywords: Gulf Cooperation Council, International Migration, Migrant Labour, Remittances.

1. INTRODUCTION

International migration has been increasing over the years, and it constituted 3.5 percent of the world's total population in 2019. According to a recent United Nations Migration report, international migrants worldwide are nearly 272 million in 2019, from 153



million in 1990. In 2019, one-third of all international migrants were in only ten countries, India happened to be the leading origin country of international migrants with 17.5 million, and the second-largest country of origin was Mexico (11.8 million), China (10.7 million), the Russian Federation (10.5 million) and the Syrian Arab Republic (8.2 million).

The six countries like Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE) are grouped and known as Gulf Cooperation Council (GCC). Gulf countries are the major oil-producing and exporting countries in the world. There was a considerable rise in the oil revenues of the Gulf countries beginning with the oil boom of the 1970s. This in turn led to increased demand for highly skilled technical experts and also for semi-skilled and unskilled workers. In GCC countries, Saudi Arabia is the largest country of destination for international migrants with 13 million and third in the world after the United States of America (51 million) and Germany (13 million).

Every economy deals with some economic issues. In general, unemployment is the major concern for every developing nation, particularly in India, where the population is higher, and employment opportunities are limited. Unemployment is the principal cause for Indian labour to migrate, and therefore, there are a considerable number of Indian labour migrated to Gulf countries from the past three decades. Over 90 percent of Indian migrant workers, who migrated to GCC countries, are mainly low-skilled and Semi-skilled workers. India is a major country of origin of international migrants, and a substantial percentage of migrant labour is concentrated in the Gulf Cooperation Council (GCC) region. However, there is a persistent demand for low-skilled Asian labour in the Gulf countries, and the main reason is the variety of skills they offered and the lower cost of Asian workers' relatively easier manageability (Shah, 2013). Every individual's wish is to get employed to have a source of a steady flow of income. Generally, the purchasing power of individuals depends on their incomes and is used to increase the standard of living. If an individual cannot find economic opportunities in his region, he decides to move out of that place to another region where he would be getting better economic opportunities. This phenomenon is referred to as labour migration. Migration can be classified into two broad categories, internal migration or immigration (migration from one place to another within the domestic country), and External migration or International migration or emigration refers to (migration from one country to another country). Many studies stated that lack of employment opportunities, poverty, low wages, and poor standard of living are the main reasons for labour migration. The impact of Labour migration had witnessed in both positive and negative manners due to international labour migration, which will lead to draining of skilled workers in the origin country.

International migration plays a key role in the development of both sending and receiving countries and migrants and their families benefit from remittances, which can contribute to inclusive and sustainable development in both origin and destination countries. Remittances sent by the emigrants are an indispensable source of income for the families of migrants to improve their standard of living, send their children to school, pay off their debts, purchase land, build new homes, and pay for weddings.

According to the definition given by United Nations, Department of Economic and Social Affairs (UNDESA), "International migrants are defined as persons who are either living in a country other than their country of birth or a country other than their country of citizenship". This paper aims to analyse the recent trends in labour migration from India to Gulf countries and their impact on remittances.

2. METHODOLOGY

The study was based on secondary data from the existing literature published in different journals and various government publications. The secondary data regarding the total Indian migrants in GCC countries were collected from UNDESA, 2019 statistics. The data were collected between 1990 to 2019 from the United Nations-Migrant stock by Origin and Destination (UNDESA, 2019), and data on remittance recipient countries were collected from the World Bank statistics. Collected data tabulated and analysed using Excel spreadsheet and simple statistical techniques like averages and percentages were used for the study.

3. RESULTS AND DISCUSSION

Indian Diaspora in GCC countries

GCC countries comprise the major share of migrants as a destination, which increased from 8.1 million in 1990 to 28 million in 2019. The proportion of migrants in the GCC region is highest among the world migrants stock, which has increased from 5.3 percent in 1990 to 10.3 percent in 2019.

GCC (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates(UAE) countries are popularly known as the major migrant corridors in the world. These six countries are the largest recipients of temporary labour migrants, with non-nationals comprising about 51 percent. GCC countries are importing migrant workers from India and other South Asian countries. South Asia is the most important source of migrant labour to GCC countries, with two-thirds of the total migrant stock in the GCC region and among the countries in South Asia; India contributes to being the largest number of migrant workers to GCC countries. Because, according to the latest estimate by UNDESA 2019, there are more than 30 million Indian Diaspora spread over 134 countries. The Gulf region is the major corridor for labour migration, with more than 9 million Indian migrants spread over the Gulf countries. So, it clearly shows that one-fourth of the total Indian Diaspora lives in the gulf region. Among the total migrants from India, the majority have chosen the Gulf countries as the important destination for Indian migrants to get better economic opportunities. In GCC countries, United Arab Emirates (UAE) and Saudi Arabia are the largest destinations for Indian migrant workers, with 3.4 million and 2.4 million, respectively.

Table 1. Indian Diaspora in GCC countries

Name of GCC country	Indian Diaspora (million)
Bahrain	0.31
Kuwait	1.12
Oman	1.32
Qatar	0.7
Saudi Arabia	2.44
United Arab Emirates(UAE)	3.41
Total	9.3

Source: UNDESA, 2019.

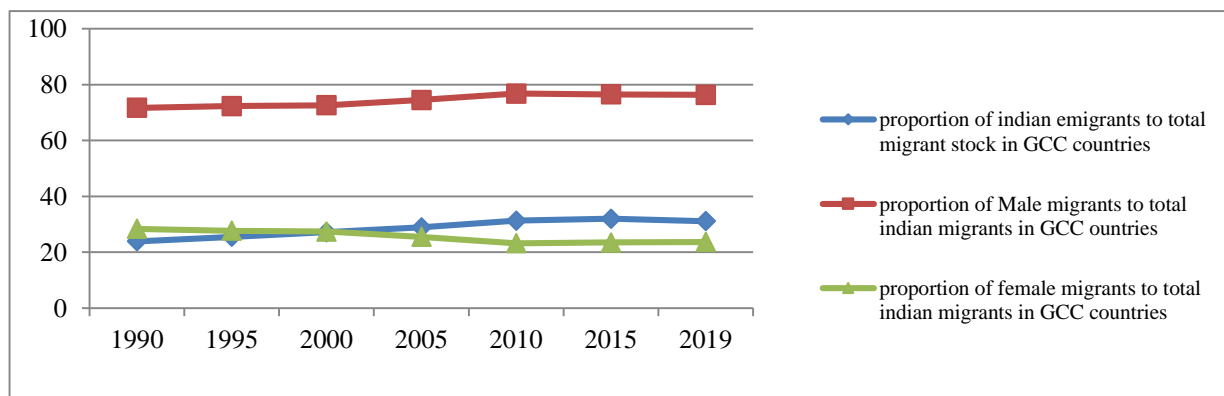
According to UN statistics, Indian migrant stock in GCC countries increased from fewer than 2 million in 1990 to 9.3 million in 2019, comprises both male and female migrants in all countries prominently. The total stock of female migrants in GCC countries increased more than doubled in the past two decades from 2.6 million in 1990 to 9.3 million in 2019 (UNDESA, 2019), with women comprising one-fourth (23.6) percent of total Indian migrants (Table 2). From the two previous decades, the male-female proportion in the total Indian migrants has remained more or less the same. There is a significant increase in Indian women migrants in GCC countries, but still, the migrant workers from India are male-dominated. In India, Andhra Pradesh, Kerala, Maharashtra, and Tamil Nadu are the major states of origin for low-skilled women migrating to Gulf countries. Almost 90 percent of the total Asian women migrants are working in the service sector, primarily as domestic workers (Shah 2004).

Table 2. The stock of Indian migrants within select GCC countries, by sex 1990-2019

Country	1990			Total migrant stock	2019			Total migrant stock
	Migrant Inflow				Migrant Inflow			
	Male	Female	Total		Male	Female	Total	
Bahrain	46340	14165	60505	173212	240276	78271	318547	741161
Kuwait	257851	117332	375183	1074391	792611	331645	1124256	3034845
Oman	130597	21957	152554	304000	1160663	164781	1325444	2286226
Qatar	1998	740	2738	309753	600826	97262	698088	2229688
Saudi Arabia	612071	294397	906468	4998445	1697032	743457	2440489	13122338
UAE	353599	104695	458294	1306574	2626998	792877	3419875	8587256
Total	1402456	553286	1955742	8166375	7118406	2208293	9326699	28001514

Source: Workbook UN-Migrant stock By Origin and Destination 2019-UNDESA

Figure 1. The proportion of Indian emigrants from total migrant stock, by sex 1990-2019



Source: UNDESA-2019

The above diagram shows the recent trend of Indian migrants as a percentage of total migrant stock in the GCC region. We can observe a consistent upward movement in the proportion of Indian migrants from 23.9 percent in 1990 to 32 percent in 2019 that is,



increased by 8.1 percent and it slightly declined after 2015, to 31.1 percent in 2019. If we observe the percentage of male migrants, there is a continuous increase in the proportion of male migrants from 71.7 percent in 1990 to 76.8 percent in 2010. Afterward, gradual decrease in the proportion of male migrants from 2010 and reached 76.3 percent in 2019. In the case of females, there is a gradual decline in the female proportion from 23.8 percent in 1990 to 23.2 percent in 2010. However, later slightly increased from 2010, and it reached 23.7 percent in 2019.

The trend of Indian Emigration to GCC countries

Gulf countries are importing a large number of unskilled and semi-skilled workers from India every year and are established as one of the most prominent destination countries for Indian migrant workers. After the rapid increase of oil prices in the 1970s, large-scale development activities have been taken by gulf countries with a shortage of labour. Consequently, demand for highly skilled technical experts as well as semi-skilled and unskilled workers had increased significantly. To bridge the gap between demand and supply of labour, they depend heavily on foreign workers to work in various kinds of Jobs-professionals like doctors and nurses, accountants and managers, engineers, architects and Semi-skilled workers like craftsmen, drivers, artisans as well as other technical workers and Unskilled labours in construction sites, livestock ranches, Farmlands, shops and stores and households (Khadria, 2006). Massive construction projects attracted a huge sum of workers from other countries. Therefore, a large number of semi-skilled and unskilled Indian workers migrated to Gulf countries as temporary labour migrants. According to data published by the Ministry of Overseas Indian Affairs, indicates on average, 6-7 lakh migrants every year under the emigration clearance required (ECR) category. Economic growth in the GCC region has attracted many expatriates, especially from South Asian countries (Bhaskar, 2013).

To analyse trends in international labour migration in India is hindered by the available limited data. The available limited official data consists of workers migrating on Emigration Check Required (ECR) passports. Available data of labour migration consists of those who had registered for emigration clearance; while exact numbers are not known; several studies concluded that a large number of labour migrants and a large number of undocumented migrants exist in the GCC region.

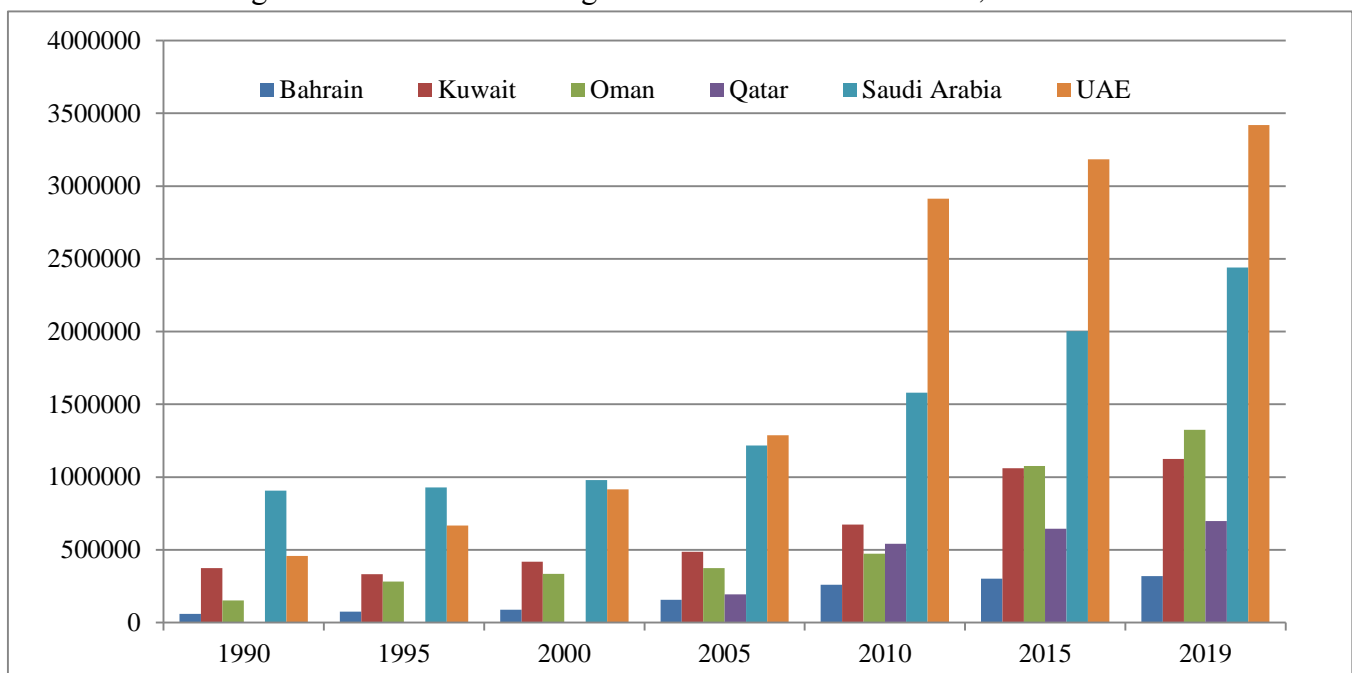
Table3. Number of workers granted emigration clearance, India, 2011-2017

Year	Emigration Clearance Granted
2011	637337
2012	746349
2013	819701
2014	805005
2015	784152
2016	520938
2017	391024

Source: India labour migration update 2018, International Labour Organization (ILO, 2018)

The perusal of Table 3 revealed a continuous increase in workers migrated for work legally up to 2013 and, after that, slowly declined. In 2016, after completing ECR procedures, 520398 workers migrated for work legally compared to 784152 workers in 2015. In 2017, the number was 391024. According to the Ministry of External Affairs (MEA) Annual Report 2016-17, this decline is explained due to the decline in oil prices and economic slowdown in the GCC countries.

Figure 2. Trend in Indian migrant’s stock in GCC countries, 1990-2019



Source: Workbook UN-Migrant Stock By Origin And Destination 2019, UNDESA-2019.

In the above diagram, we can observe that Indian labour migrants have been increasing over the years. There is a continuous upward trend in the stock of Indian expatriates in the respective countries in the GCC region since 1990. It was 1.9 million in 1990, and it increased to 9.3 million in 2019 with a rapid growth rate of 79 percent over the two decades. Initially, Saudi Arabia is the largest destination country for Indian migrants, with 906468 in 1990 to 978992 in 2000. However, later, United Arab Emirates become the largest country of destination from 2005, and it continues to be the largest country as a choice of destination for Indian migrants. Overall, this continued upward trend is explained in several studies as a constant source of income that attracted Indians to migrate and send money to their families. The Indian migrant workers in GCC countries increased predominantly from 1990 to 2019 in all GCC countries. In absolute numbers, United Arab Emirates ranks top in the Indian migrant population stock.

Impact of Emigration on Remittances

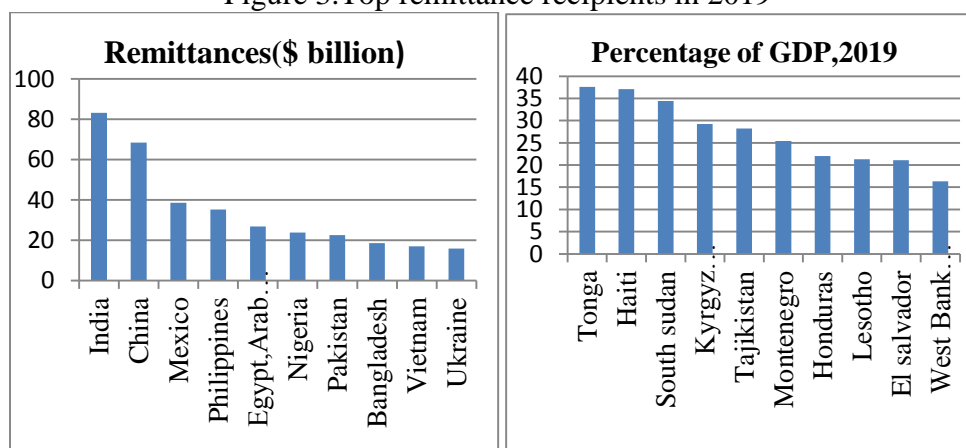
Both migration and development are interdependent, and remittances are the most important aspects of the economic impact of international migration. Labour migration had significant impact on the economy and is helpful for the development of any nation. The impact of

migration and the remittances received from the migrants can be seen in various areas like housing, the living standard of migrants, Health and Education, and other basic amenities. Migrant remittances can be sent in cash and in-kind, and they play a vital role in many Indian states such as Tamil Nadu, Andhra Pradesh, Kerala, Uttar Pradesh, Bihar, and Gujarat. It is quite noteworthy to observe from Figure 3 that India has ranked top amongst the remaining of the world's nations in terms of the volume of remittances. The remittances make a significant contribution to the gross domestic product and foreign exchange earnings of developing countries (Azeez&Begum, 2009). According to the latest estimate by World Bank 2020, India received the highest remittances from overseas about (\$83.1 billion) in the world; it contributed 2.8 percent of India's national GDP in 2018-19 compared to (US\$2.3 billion) in 1990. Remittance is an intermediate determinant of the consequences of migration (Zachariah, Mathew, & Rajan, 2001).

The impact of remittances sent by the emigrants can be seen at both the micro-level and macro-level. Indian migrants in the Gulf region are mostly unskilled and semi-skilled. At the micro-level, remittances have an impact on the consumption and investment behaviour of migrant households. Because remittances are the major source of income for the migrants, families get out of poverty and improve the standard of living, pay off debts, send children to school, and purchase land.

At the macro level, remittances from abroad comprise the major source to maintain foreign reserves. Indian workers working abroad help India to earn foreign exchange and increase its foreign exchange reserves (Jain, 2005). According to Reserve Bank of India (RBI) estimates, United Arab Emirates (UAE) contributes nearly 27 percentage of the total remittance inflows to India 2018-19. However, remittances from abroad are the main source of foreign currency in India and could solve the balance of payments issues.

Figure 3. Top remittance recipients in 2019

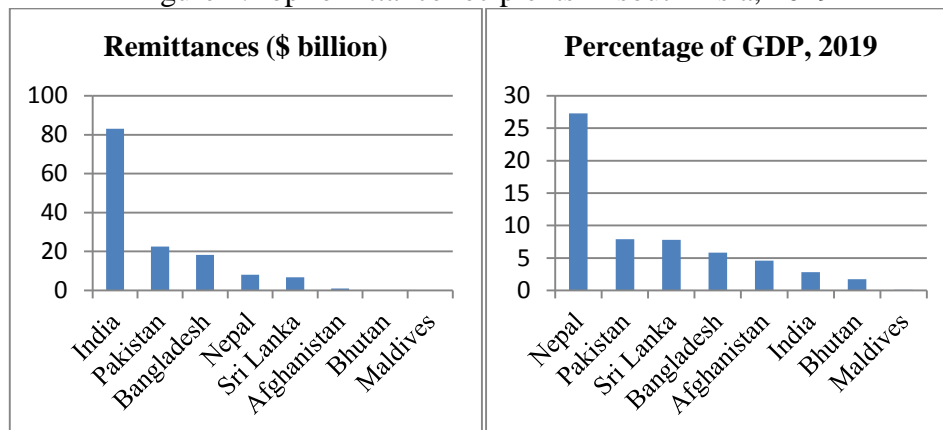


Source: World Bank-Migration and Development brief 32,2019.

Figure 3 showed that India, China, Mexico, the Philippines and Egypt, Arab Rep. were the top five remittance recipient countries in 2019. India stood top among the other countries in terms of total remittances with (\$83.1 billion) in 2019. When remittances are viewed as the percentage share of Gross Domestic Product, we can observe that the top five

remittance-receiving countries were Tonga (37.6percent), followed by Haiti (37.1percent), South Sudan (34.4percent), Kyrgyz Republic (29.2percent) and Tajikistan (28.2percent).

Figure 4. Top remittance recipients in south Asia, 2019



Source: World Bank-Migration and Development brief 32, 2019.

As we discussed earlier, gulf countries are importing a huge number of labour migrants from South Asia, which consists of two-third of the total migrant stock in the GCC region. In the above diagram, we can see the top remittance-receiving countries of South Asia in 2019. India is the top in receiving remittances from abroad of (\$83.1 billion) in 2019, followed by Pakistan (\$22.5 billion), Bangladesh (\$18.3 billion), Nepal (\$18.1 billion), and Sri Lanka (\$6.7 billion), and when remittances are viewed as a percentage share of Gross Domestic Product, Nepal was the top among other South Asian countries with (27.3percent) and India contributes (2.8percent) of GDP in 2019.

4. CONCLUSIONS AND SUGGESTIONS

Migration and development both are interdependent. It can be seen both as positive and negative aspects of both the place of origin and destination. The major shift in the migration trend observed after the oil boom in the Middle East, the reason for such a trend is the rapid development activities initiated by GCC countries and various infrastructural projects that have absorbed a large number of foreign workers to work in GCC countries. The share of migrants in the GCC region among the world's migrant stock increased from 5.3 percent in 1990 to 10.3 percent in 2019. There is a rapid growth rate of 79 percent of total Indian migrant workers in GCC countries over the two decades.

The remittances sent by the migrants have changed the consumption and investment behaviour of migrant workers and their families and are often used to repay outstanding debts. India is top of the list in terms of receiving remittances about (\$83.1 billion) in the world, and it contributed 2.8 percent of India's national GDP in 2018-19 compared to (\$ 2.3 billion) in 1990.

India-Gulf region is the major migrant corridor with 9.3 million expatriates spread over the region, so the government needs to concentrate on the increasing demand for labour and skill requirements across all sectors and skill qualifications in the GCC region. Skill development institutions have to be established to provide short-time certificate courses to



migrant workers based on the skills required in destination countries. For India to emerge as a leading country in the supply of skilled labourers, it has to meet the increasing demand for skilled labour in GCC labour markets.

There is no systematic collection of data regarding return migrants in India. India should collect data that enhances the trends and characteristics of labour outflows with all categories of migrant workers. Information should be collected based on certain variables, such as the skills they acquired in employment, entrepreneurial skills, and available financial resources.

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