OVERSEAS RECRUITMENT PRACTICES IN INDIA

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INTRODUCTION

- India, one of the largest manpower-exporting countries – about 10 million or 1 percent of India’s population
- It tops the list of recipient countries of migrant remittances with $27 billion in 2007 – 3 percent of GNP
- Kerala State in India – 1.8 million
- Remittances – 20% of the SDP
OBJECTIVES

• Understand the intricacies of overseas recruitment practices
• Analyze the emigration process through various channels such as recruitment agencies and others
• Provide policy recommendations to improve the recruitment system.
STAKEHOLDERS

• The study based on the survey done at the national level from intending migrants, recruitment agencies and Protectors of Emigrants in 8 locations which are hubs of the recruitment activities and the process of emigration clearance.

• Foreign employers, Foreign recruitment agencies, Workers in the Workers Camps in Gulf, Indian Missions were interviewed without the structured questionnaire.

• Special Survey among emigrant households and return migrants in the state of Kerala.
Section 22 of the The Emigration Act 1983

- “No citizen of India shall emigrate unless he obtains under this chapter from the protector of emigrants authorization in the prescribed manner”
- However, thirteen categories of persons have been exempted from this requirement (below 18 years, above 50 years, completed 10 years of schooling)
- Emigration Check Not Required (ECNR) Passport holders – “Any” country
- Emigration Check Required (ECR) passport holders – “Exempted” for ECNR countries
- ECNR countries - 174
- ECR countries – 18 countries (Gulf, Malaysia, Jordan, Libya, Iraq is banned) – Exemption Granted
The Emigration Act 1983 on Overseas Recruitment

• Registered Recruitment Agencies (RRA)
• The Protector General of Emigrants
• Three categories of RRA – 1835 as of 2007
  • < 300 persons: Rs. 3 lakh
  • 301-1000 persons: Rs.5 lakhs
  • > 1000 persons: Rs. 10 lakhs
• Service charges: Rs. 5000 (skilled worker, Rs. 3000 (semi-skilled workers), Rs. 2000 (unskilled workers and Rs 10000 (other than the above
Workers Emigrated and Suspension Granted, 1985-2007 (in millions)
Destination of Indian Emigrants, 1988-2007 (Percent)
Emigrants by States in India, 1993-2007 (percent)
Location of POE offices and Trends in Migration, 2001-07
Emigrants in Gulf: India and Pakistan, 2002
Recognition of Weakness

- Union Minister of Overseas Indian Affairs, Government of India and other officials connections with the Ministry
- “the system that the Government had put in place to regulate and streamline the emigration process itself has resulted in corruption and in the formation of a nexus between government officials and recruitment agencies leading to increasing exploitation of the poor”
Findings from the Intended Migrants Survey

• Channels of Migration: friends and relatives = 79%, foreign employer = 7.3, Government agency = 0.5; RA = 13.5
• Cost of Migration = about 1200 US $
• Sources of Finance: one-third from the money lenders
• Awareness: Contract, working conditions and other information on Gulf (limited knowledge)
Findings from the Emigrants Survey

• Cost of Migration: 1200 US $ for friends and relatives and 2000 US $ for RAs

• Channel and the sources of finance remains the same

• Various payments of migration: Visa fee, recruitment charges, interviews (practical tests), medical test, insurance, emigration clearance and air faire

• Salaries in Gulf: three out of 5 receives equal to 200 US $ and one of out of 10 above 500 US $
Findings from the Return Emigrants Survey

• Channel of Migration: Individual agents and travel agents – new channels

• Problems faced in the Gulf: taking away passport, signing of new contract with low wages, modified work and living conditions and return airfare and other employment benefits such as overtime and leave salaries.

• Reasons for return: one in three due to low remuneration and poor working conditions.

• One groups being exploited and other groups come in (replacement by region or country)
Findings from Recruitment Agencies

• Not transparent
• Buy visas from foreign employers and foreign recruitment agencies
• Receive services charges from both foreign employers and emigrants
• Closely work with individual agents
• Closely work with protectors of emigrants
Notes from Gulf

• Non-payment of salaries
• Salary levels are very low – 100 US $
• Foreign employers pay services charges to RA in India
• Foreign employers just provide visas and ask them to send workers
• Foreign employers ask money for visas from RA
Notes from Gulf (collusion)

- Between foreign recruitment agencies and Indian recruitment agencies
- Between foreign employers and recruitment agencies
- Between foreign employers and individual agents
- Between return emigrants and foreign employers
- "Ghost" companies and rampant free visa and visit visas.
Required Policy Changes

• POE offices have no credible mechanisms except the attestation by the Indian Embassy – Should be reviewed
• MEA – Passport Control and Indian Embassy; MHA: Bureau of Emigration, MOIA: POE – Need more coordination
• MOIA should establish its own offices to handle the labor issues in the countries of destination
Required Policy Changes

• Removal of ECR passports
• Compulsory Pre-departure Training
• Negotiation of Minimum wages in Gulf
• Introduce a new system in which RA receive service charges only from the foreign employer (no money from intended emigrants)- Zero cost of migration
• Increase in the Registration fee for RA
• Collaboration of sending countries