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Return Migrant Entrepreneurs in India: Case studies and policy recommendations

ILO – EU Asia Migration Project
ILO Subregional Office
New Delhi

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Return Migrant Entrepreneurs in India: Case studies and policy recommendations

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Introduction

For centuries India has been a destination and a source of migrants and this trend continues even today. Many migrant workers employed overseas are of Indian origin and are commonly referred to as the Diaspora – a term that encompasses Non Resident Indians as well as temporary labour migrants. According to estimates, around 20 million people are part of the Indian Diaspora.¹ Although a significant proportion of skilled workers tend to migrate to countries such as Australia, the UK and the US, it's the less skilled migrant workers that comprise a higher proportion of the total number of out-migrants from India. They are mostly employed in the Middle East and South-East Asian countries and are the focus of this report, which concentrates on the return migrants' aspect of the temporary migration process. More specifically, this report focuses on those temporary migrants who return to India once they have completed their short-term employment contracts. As will be seen in the case reports that follow, they invest their skills and in some cases their savings earned while working overseas in business ventures with success. Such return migrants are a variegated group and can be loosely classified as forced returnees, wilful returnees, financially well-positioned returnees who are rich in skills but short on finances. The case studies presented in this report are drawn from this heterogeneous group and reveal their success in entrepreneurship after their return to India.

A majority of temporary labour migrants are employed for several years in the construction and transport sectors in the Middle East as well as in South-East Asian nations. While these migrant workers make up an insignificant proportion of the total Indian labour force – just around one per cent – they contribute disproportionately to the economy, accounting for approximately five per cent of the GDP.² It is clear that migrants and their remittances, which is four times the annual flow of foreign direct investment, are a vital component of the Indian economy, dwarfing development assistance.³ It is also estimated that India receives more remittances from migrant workers than any other country amounting to US\$24.6 billion in 2005-2006.⁴ Government reports indicate that the major proportion of these remittances come from lower skilled migrant workers.⁵

Migrant workers greatly benefit society; however, the risks associated with migration are largely borne by the families of the migrants or often endured solely by the migrant workers themselves. These include financial risks, scams perpetrated by placement agencies, exploitative working

¹ This figure is based on estimates made by the High Level Committee on the Indian Diaspora.

² These figures are based on the Ministry of Finance Economic Survey 2005-2006.

³ Id.

⁴ World Bank, Global Economic Prospects 2006 as cited in the Reserve Bank of India Annual Report, pp.95, available at <http://rbidocs.rbi.org.in/rdocs/AnnualReport/PDFs/72286.pdf>.

⁵ Ministry of Overseas Indian Affairs, Migration Management Annual Report 2005-06, pp.18.

conditions that violate basic human rights as well as psychological and cultural isolation.⁶

Returning migrants also face financial risks as they may not have access to information on how to invest their savings in a way that will generate high returns. Money may be spent by family members, or used in unproductive ways and may not contribute to development, either in household or national terms. Moreover, access to credit is another obstacle that is encountered frequently by return migrants who set up businesses. Often, even in cases where return migrants lack capital, they bring back a wealth of knowledge in the form of new skills and trades which if nurtured can result in successful business ventures.

Research and experiences from other countries such as Sri Lanka and the Philippines show that effective information dissemination and pre-departure orientation programmes benefit migrants enormously. Better prepared migrants can avoid the potential dangers of migration and reap greater benefits and over time this can help further the development of the country as a whole.

Although certain protective measures have been initiated by the government to safeguard labour migration such as the compulsory insurance scheme known as the Pravasi Bharatiya Bima Yojana in 2006 and the provisions of the Emigration Act (1983), plans and programmes to productively reintegrate migrants into the economy need to be expanded.⁷ This report highlights this deficit through case studies of 10 return migrant entrepreneurs collected from three states – Uttar Pradesh, Tamil Nadu and Kerala. It also attempts to inform and inspire migrants and policymakers on ways to curtail the risks associated with migration and implement supportive programmes so as to optimize the benefits of migration for all. The experiences of successful returnees interviewed in this report also highlight strategies and practical tips to maximize the advantages of working abroad. It is hoped that this report will aid the government's efforts in helping migrants respond to the challenges and opportunities that international labour migration offers as well as foster national policies aimed at absorbing returning migrants in ways that advance socio-economic development.

As one of the research outputs from the ILO-EU Asian Programme on the Governance of Migration, it is hoped that this publication will be useful to all those working in this area.

⁶ Placement agencies as referred to in this report include those agencies that offer employment abroad for a fee.

⁷ Under the terms of the Pravasi Bharatiya Bima Yojana it is mandatory for migrant workers to take an insurance policy with a reasonable premium for the period of their employment contract providing medical insurance, life insurance repatriation expenses under certain circumstances and other benefits.

USING FORMAL REMITTANCE CHANNELS TO MAXIMIZE SAVINGS

1

Shahid's Story, Uttar Pradesh



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Age: 37

Gender: Male

Country of Destination: Saudi Arabia

Education/Skill Level: Studied up to Class 10 and took ITI courses for three years in Mumbai

Employment History in Country of Destination: Electrician, Part-time worker in a garage, Garage owner

Current Occupation: Plywood business and shop owner in Eastern Uttar Pradesh

The owner of a thriving plywood business in the booming yet fiercely competitive construction industry in Uttar Pradesh, Shahid hails from a large family of farmers. As a young man he firmly believed that only education could lift him and his family out of poverty. When he completed his 10th Standard, he moved to Mumbai to try his fortune, living with friends from his hometown. Even as he worked, he enrolled for technical training (ITI) courses side by side. After finishing his studies, he worked as

an electrician in Mumbai for several months. The job did not pay very well, but gave him much-needed experience and contacts. In Mumbai, he came into contact with some people who had migrated to the Middle East and learnt from them about the work opportunities there and the wages he could expect to earn.

Shahid learnt that as an electrician he could earn much more in the Middle East than at home, so he found an opportunity in Saudi Arabia through a placement agency in Mumbai. The agent did not cheat him, although he was misled that he would be working near Riyadh, whereas his job was in Al-Baha, more than 1,400 kms away from Riyadh.

He left India in 1989, with intentions of supporting his family, helping his brothers establish their businesses, saving money and eventually starting his own business. The English he had learnt through his studies helped him in Saudi Arabia. During his stay he also learnt to speak Arabic. Life in Saudi Arabia was hard; he worked as an electrician and part-time in a garage. He eventually took over the garage on a contract from the owner. He worked conscientiously at these two jobs and was able to earn and save his money. He returned to India in 2005 after spending 16 years in Saudi Arabia.

While he was in Saudi Arabia he sent money regularly to his family; normally this ranged around 6,000-8,000 rupees (Rs) per month. On the advice of his friends, Shahid opened an NRI account with an Indian bank based in Saudi Arabia through which he sent money home. He saved the remaining funds in his NRI account. After a few years in Saudi Arabia, he helped two of his brothers join him to work there. They lived together and pooled their savings to send back to their families. Collectively, they managed to send about Rs 10,000 per month home.

Even as he worked in Saudi Arabia, Shahid dreamt of setting up a shop in India. To realize his dream, he saved as much money as he could. He sent money to his family to purchase the land and construct a shop and house for him and his family. Today, he is well settled in a fairly large-sized shop, located in a central area in the market of his town and he lives above it. When he returned from Saudi Arabia, Shahid set up a plywood business, supplying plywood to the local construction industry. Overall, the family collaboration has been good for his business. Shahid financed his business with his savings as he was not aware of any government schemes or bank loans that could support him.

When he was setting up his business, Shahid sought advice and support from a relative, who was a plywood dealer. Shahid found that his educational qualification and experience gained in running a garage in Saudi Arabia had armed him with the skills and confidence needed to run a competitive business. The construction industry is booming in his area but there is also fierce competition for business.

Now he purchases materials at wholesale prices. He punctually pays back any credit from the wholesalers and has secured a good credit rating and the trust of people. Since he lives just above the shop, he is almost always available. The main advantages he has over his competitors are the large size of his shop and lack of debts. He is able to comfortably support his family and his parents.

He would like to expand his business, but the competition is stiff at the moment. The building boom in parts of Uttar Pradesh is funded by migrants, so he hopes to maintain good links with other returning migrants. He is also determined to send his children to English medium schools where they can get a good education. He wants them to be able to move away from what he sees as a rural and backward area.

Shahid's advice to migrants:

- Invest rather than engage in ostentatious consumption.
- Open an NRI account and/or invest your money in the various schemes now made available in the Middle East by Indian banks.
- Hard work will ensure your success back home after return.
- Establish a business or shop in a sector with which you are familiar and work out a business plan with care by conducting the necessary research.
- Try to learn new business techniques in the destination country.

Other Useful Information:

For registered placement agencies visit: <http://moia.gov.in/shared/linkimages/152.pdf>

Complaints about placement agencies: The Protector General of Emigrants hears cases on Tuesdays and Fridays from 11:30 am-12:30 pm. No prior appointment is required. Room 105 A, Shram Shakti Bhawan, Rafi Marg, New Delhi.

For more information visit <http://moia.gov.in/showinfo1.asp?linkid=162>

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2

MAXIMIZING RETURNS ON TIME SPENT
WORKING ABROAD THROUGH SAVINGS AND
ACQUIRING NEW SKILLS

Faizan Khan’s Story, Uttar Pradesh



P
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Age: 25

Gender: Male

Country of Destination: Saudi Arabia

Education/Skill Level: B.A.

Employment History in Country of Destination: Worked as a salesman in exhibitions for the Bissan Shoe Company.

Current Occupation: Owns a paint and hardware shop.

Despite being the only earning member of a large family, Faizan Khan’s father managed to support them all and educate all his children. Faizan graduated with a bachelor of arts degree and set up his own business, which brought in some money but was not very successful. When Faizan’s father died, things changed for him. He now had to earn more to support his family. He decided to join his two brothers who were working in a shoe company in Saudi Arabia. They helped arrange his visa and job and assisted him in settling in.

Faizan and his brothers planned to work together in Saudi Arabia and look after their families and affairs in India. They decided to combine their remittances to care for the whole family. Additionally, they planned that one of them would always be in India to look after the family while the others worked abroad. However, after their father died a dispute arose between the brothers over the rent of a shop and now Faizan is fighting the case through the courts.

Faizan worked at the Bissan shoe company in Saudi Arabia as an exhibition salesman. The general manager of the company was kind and helpful and encouraged Faizan to learn accounts, speak English and operate a computer. He was also able to travel with the company to trade shows in several other countries. Faizan acknowledges that he owes the manager a debt of gratitude.

After working for seven years in Saudi Arabia, Faizan decided to return to India in 2005. His brother thought he should open a clothes shop, but Faizan was convinced that a paint and hardware shop would do well, based on his observation that incomes in his region were rising and that newly affluent people inevitably first spent their money on new houses and education. He had managed to save quite a lot of money in his NRI account, which he invested in setting up his shop. Faizan did apply for a bank loan to finance his business but his application was never processed – a fact he attributes to corruption within the local system. His brothers helped him with the start-up costs and collaborated with him in his business design, but he admits that he has often been short of finance to invest. His initial investment was Rs 800,000. One of his cousins, who owns a supermarket in the Middle East assisted him financially as well as supported him in his decision to establish a hardware business.

Faizan feels that his experiences in Saudi Arabia taught him a lot about the latest ways of doing business and about dealing with customers. He stocks a wide range of products suitable for all price ranges and tries to make good use of his social networks to attract customers. Faizan's social network is based on his close connections with the local community, maintained since childhood.

He thinks that everyone has a responsibility to make some contribution to society. He is deeply involved in social and political activism aimed at helping the oppressed sections of society. He feels that economic security is the first step towards being successful in social and political

Return Migrant Entrepreneurs in India

ventures. He believes that once you have secured your own well-being you can and should contribute to the well-being of others in society.

He helps to finance the education of several people who are less wealthy than him. His aims are to educate his children well and eventually to get involved in local politics. He would like to take his business to a level where it can run by itself and would also finance his social and political activities.

Faizan Khan's advice to migrants:

- Learn new skills and business techniques while working abroad.
- 'Save' should be the magic word for every migrant. Saving some money to invest in something worthwhile is the best reward for all the pains and troubles you face while abroad.
- Migrants should also take on some social responsibilities such as helping each other financially, mentoring professionally and helping educate others.

Other Useful Information:

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For more information visit <http://moia.gov.in/showinfo1.asp?linkid=162>

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MAXIMIZING RETURNS ON TIME SPENT WORKING ABROAD THROUGH SAVINGS AND ACQUIRING NEW SKILLS

Sudheer's Story, Kerala



**P
R
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Age: 30
Gender: Male
Country of Destination: Saudi Arabia
Education/Skill Level: Intermediate and Pre-degree courses
Employment History in Country of Destination: Worked as a salesman in a chain of jewellery stores
Current Occupation: Owns Style Up Casual, a store in Thiruvananthapuram which sells clothes and accessories

A. R. Sudheer's family has a long tradition of migration. His father, uncle and brother-in-law worked in Saudi Arabia. When he turned 19 and completed his school education he decided to join them. He wanted to earn some money and as there were limited opportunities at home he decided to try his luck abroad. It was also very important for him to do something on his own and earn his own money rather than depend on others. His family funded his migration, helped him find a job and settle down in Saudi Arabia.

He worked as a salesman in a jewellery chain for eight years between 1996 and 2004. He used to send about Rs 5,000 per month to his family in Kerala via bank transfer. He also sent money to pay for the marriage of his sister, and saved some for his own marriage. Sudheer feels that migration helped him and his sister get good marriage proposals, as their future was perceived to be secure. While he was away, his father looked after his family. Sudheer was able to save Rs 800,000 in his NRI account over the eight years he spent working abroad.

Today Sudheer owes his knowledge about business not only to his stint as a salesman in Saudi Arabia, but also to a failed attempt at business enterprise. When he returned from Saudi Arabia in 2004, he set up a plastic carry bag manufacturing business which failed, causing him financial damage. Reflecting on the experience, Sudheer thinks that he was unsuccessful because of his inexperience and dependence on the guidance of others as well as the fact that he was operating in a market that he did not know well enough. He also thinks that he was defrauded by his creditors.

Currently Sudheer runs a fashionable clothes shop 'Style Up Casual' in the centre of Thiruvananthapuram in Kerala. Sudheer started his clothes shop with a bank loan of Rs 700,000 and an investment from his pocket of Rs 200,000. He did not avail any government scheme.⁸ He managed to negotiate a favourable rent in a good location in Thiruvananthapuram to set up his shop. Located near four colleges, where many of his young customers study, it is the only clothes shop in the area. Many students from nearby colleges visit his shop to buy jeans, sunglasses, shirts and other clothes.

His stint as a salesman gave Sudheer the confidence to run this store and also helped him develop customer relations, which is very helpful in his present business.

Sudheer's philosophy is to always treat customers well and be friendly to them whether they purchase anything from his shop or not. He feels this attitude helps even when customers do not buy stuff as they take a liking to the store and bring their friends there. A good way to attract customers, he feels, is to attract a group and they will spread information about the business to their friends. Sudheer has experienced that word of mouth references through a chain of friends can bring up to 50 customers.

⁸ Sudheer was able to get a bank loan of Rs 700,000 from a national bank at an interest rate of 12% per annum.

Actually, Sudheer says, fashion is something that he enjoys and feels enthusiastic about, more enthusiastic than plastic bags anyway! He keeps in touch with the latest fashion trends from Bollywood and his relatives in Mumbai also keep him abreast with contemporary trends in clothes. He does all the purchasing himself every two or three weeks to keep pace with the latest trends. Another reason why Sudheer's second business venture has proved to be a success is because his experience working in the jewellery shop in Saudi Arabia has helped him to develop insights into doing business in the fashion sector.

Today, despite the interest payments on his loan, the rental costs of the shop, and the salaries he pays to the four people he employs, Sudheer makes a healthy profit. He is ambitious and tries to constantly improve his business. Eventually he would like to open more showrooms and create a chain of shops. This would depend on his ability to get loans and finance at good rates.

A. R. Sudheer's advice to migrants:

- Do not send back all your salary. Save some in an NRI account.
- Invest cautiously: finance your investments with a judicious mix of credit and savings.
- First-hand knowledge is important. Complete dependence on others' advice can lead to disaster due to one's inexperience and lack of interest.

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MAXIMIZING RETURNS ON TIME SPENT
WORKING ABROAD THROUGH SAVINGS AND
ACQUIRING NEW SKILLS

Khan Arif Ahmad's Story, Uttar Pradesh



P
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Age: 34
Gender: Male
Country of Destination: Saudi Arabia
Education/Skill Level: Studied up to 7th Class
Employment History in Country of Destination: Worked in various jobs involving auto mechanics and carpentry
Current Occupation: Owns a cosmetic and gift shop in Uttar Pradesh

Khan Arif Ahmad's shop on a busy street in a town in Uttar Pradesh is full of shiny gifts, toys and cosmetics. Outside, the natural colours of village life brighten the *bazaar*. Inside his shop, the bright lights of the cities and imported products add glitter to the shelves.

Khan Arif's brother migrated to Saudi Arabia before him and helped him get a job there. When he left, all he had in mind was to raise his family's standard of living, but as time went by he decided to try and

work hard, return as soon as possible and establish a business in India. He worked as a carpenter before migrating and got a job through friends of his brother in Saudi Arabia.

In Saudi Arabia he changed several jobs and learnt different trades such as auto mechanics, driving and masonry. As the country proved to be a learning ground for him, Khan Arif describes Saudi Arabia as a “skills university”. He worked in several part time jobs, which meant he had to work hard but was able to earn well. Thanks to the contacts provided by his brother, he not only got jobs but also managed to avoid falling prey to cheats.

Khan Arif returned from Saudi Arabia in 2005 after 11 years. It took him longer than expected to save up the amount that he perceived was necessary to establish his business. So far, he has not taken a bank loan and he has not availed any support from the government either but plans to avail both in the future if provided with concessions and subsidies. He got married on his return and is sure that working abroad helped him find a good bride. He bought the shop he now runs with an initial investment of Rs 100,000. The shop is near the main street of his town.

Khan Arif used the business acumen he learnt in Saudi Arabia to study the local market trends and identify a niche in the cosmetics trade in his home town. He designed his business to suit his customers' needs. His shop is bigger than most of the other cosmetics shops in the town and in a good location. He also gets good quality imported products and does not sell out of date products or change the prices printed on the products which is a common local practice. He is optimistic about the future of his shop because the region is rich with NRI remittances from the Middle East and demand for cosmetics is increasing. He says there is a growing desire among women to buy and use cosmetics. He thinks women are getting more independent, making decisions for their families as their husbands are often out of the country. Khan Arif observes that there is increasing literacy among women in the region and a high male migration rate. Television and cosmetics advertisements have also increased demand and in the last few years several cosmetics shops have opened in the region. Now, consumers are becoming increasingly ‘brand conscious’ and demanding products which they have seen advertised on television.

Most of his customers are women and he makes sure that they are well respected and feel comfortable in his shop. He is confident that this ‘female-customer friendly policy’ has helped to enhance the reputation of his shop. Another important element that has helped his business thrive is

Return Migrant Entrepreneurs in India

the lack of debts that he has due to the money he was able to earn and save in Saudi Arabia. He owns the property and works in the shop himself and has fewer overheads and therefore his profits are higher.

Khan Arif Ahmad's advice to migrants:

- Migration should be goal oriented, with a purpose in mind rather than just as a job.
- Rather than passing the prime time of their lives abroad, establish a business in India.
- Do not wait too long after returning; avoid wasteful spending and seeking advice from too many people.
- Invest your own saved money rather than depending on others.
- The golden rule for returnees is to save money and restrain your extravagance.

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MAXIMIZING RETURNS ON TIME SPENT WORKING ABROAD THROUGH SAVINGS AND ACQUIRING NEW SKILLS

Krishna's Story, Tamil Nadu



**P
R
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E**

Age: 32

Gender: Male

Country of Destination: Jordan, Singapore, Dubai

Education/Skill Level: Studied up to Class 8

Employment History in Country of Destination: Worked as a welder

Current Occupation: Owns two brick kilns and a welding contracting company in his village in Tamil Nadu

Pulling up on his motorbike, Krishna appears a relaxed, confident man. At 32, he is already a successful businessman employing nearly 50 people. Belonging to a fishing community along the coast near Chennai, he rose from humble beginnings. After joining others in his village in training to become a welder, he got a job in a local company. Through his company, he got the opportunity to work abroad as a welder in Jordan.

Jordan was a shock to Krishna, far away from his family and friends in a strange land, with a strange language and new ways of working. The wages were high though, and Krishna stayed for a year, earning good money for his hard work.

Back in India, Krishna quickly decided to go abroad again and headed for Singapore helped by his contacts at his former workplace in Chennai. In Singapore he did well in his company. He stayed there for six years between 1998 and 2004, with occasional visits to India. He was now earning more than in Jordan and his company sent him all over the world to work as a welder, mainly welding oil pipelines. During this period, he saved up most of his money in an NRI account, faithfully sending a small allowance to his family in Tamil Nadu.

In 2005 after returning to India, he decided to go abroad again. This time he found a job in Dubai through a placement agency but this turned out to be a bad experience. He didn't like the company he worked for and the climate in Dubai. He was treated with disrespect by his bosses in the company and he thought that the work he was asked to do was too dangerous. After thinking over things, he decided to leave after a month, but was told by his bosses that he wouldn't be paid for that month's work as they considered it to be a 'training month'. Krishna felt that he didn't want to work for such people under such conditions and decided to leave anyway. He decided to settle down in India and start his own business.

Today, Krishna is the proud owner of two brick kilns in his village and has his own welding contracting company. Krishna financed these businesses through the money he saved while working abroad. He did not avail any help from banks or the government. He employs an experienced foreman to look after his brick kilns. About 25 people are employed at the brick kilns, which can produce up to 100,000 bricks at a time. Although it is a seasonal business, Krishna always manages to sell all the bricks as they are of good quality.

While his foreman manages the brick kilns, Krishna works hard at his welding contracting company. He is one of the most experienced welders in the area now. His international welding experience gives him an advantage over his competitors and companies prefer to hire him. The big companies usually provide the tools for the job they have to do, which he rents from them. He employs a team of 22 welders, fitters, riggers, and helpers for this work.

His businesses have been running for a year now, and both are running well, earning him a sizeable income. His ambition in the future is to expand his welding business to start a welding workshop, employing more people and exporting piping to big companies abroad.

Krishna's advice to migrants:

- Be cautious with your money while starting a business, make informed decisions based on advice from other business people and an evaluation of the costs and your finances.
- Take the advice of people whom you trust who have also lived and worked abroad.

Other Useful Information:

For registered placement agencies visit: <http://moia.gov.in/shared/linkimages/152.pdf>

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REALISING INTERNATIONAL BUSINESS AMBITIONS AS A RETURN MIGRANT ENTREPRENEUR

Paul Nevin's Story, Kerala



PROFILE

Age: 34

Gender: Male

Country of Destination: Abu Dhabi, United Arab Emirates

Education/Skill Level: B.A. Economics, MSCSE (Microsoft certified systems engineer) 1 month course in Bangalore.

Employment History in Country of Destination: Worked as an administrator, secretary in computer jobs and as a management assistant

Current Occupation: Owns Romansons Complete Documentation Centre located in Thiruvananthapuram which provides office and print services

In Paul Nevin's neat office - an oasis of calm amidst the frenetic business activities around him - a true success story is revealed. As a young man from a poor fishing village in Kerala, Paul nevertheless managed to get a good education, self-financed by giving tuition to others whilst studying. After finishing his graduation (B.A. in economics) and seeing

little prospect of local employment, he saw migration as the only hope.

His brother had a job in Abu Dhabi so Paul used all his savings and with the help of his brother managed to get a visa to go to Abu Dhabi in 1992. In Abu Dhabi he searched hard for jobs, attending many interviews, receiving many rejections before finally getting his chance. Initially, he got a job as an administrator, where he was underpaid, so he shifted jobs several times before settling into a steady job.

He stayed in Abu Dhabi for nine years, in steady office work, with a gradually increasing salary. To deposit his savings he set up an NRI account. He also sent Rs. 5,000 per month to his family back home to cover their basic expenses and occasionally contributed money for special occasions, such as weddings.

Paul worked for a number of big companies in Abu Dhabi, as a secretary, in computer-related jobs and as a management assistant. In these years he was able to gain important experience and insights into management techniques. His confidence also increased as he dealt with a wide range of people and situations. For his work he travelled widely within the UAE and once to the Netherlands. Paul was exposed to new ways of thinking and new opportunities. These experiences opened his mind to new possibilities. In spite of this progress, however, Paul realized that if he stayed in Abu Dhabi he would always be management support and never the manager.

He could not get a citizenship there and felt that he wanted to be back among his friends and family. He thought a lot about what he could do when he returned, and how he could use his expertise.

Upon his return in 2001, Paul set up his own business, 'Romansons Complete Documents Centre' in a good location in Thiruvananthapuram. The business has five main sections, communications (10 telephone lines, fax, mobile SIM cards), Internet, word processing, (printing, graphic design and DTP), reprographics (copying and binding) and screen printing (visiting cards, wedding cards). Paul employs 20 people in his centre, which is also an agency for Western Union and 1,500 customers avail of its services each day.

The main reason behind the success of the enterprise is that it offers so many services under one roof. The phone lines are open 24 hours a day,

seven days a week. The business has invested in the latest technologies and machinery to provide the services that are most in demand by customers. The staff are also well looked after, with prizes instituted for good work and period staff training given.

At only 34 years old, Paul is an experienced manager with a bustling, rapidly expanding business. The initial investment in this venture came from Paul's own savings and investment by his brothers who are sleeping partners in the business. This made up 90 per cent of the start-up costs and the remaining amount was a bank loan.

Paul has profited from the management skills he gained while working abroad. He is optimistic and ambitious, and his business ideas are summed up in his line: *"If you want to do it, just do it; if you find something wrong, just change it."* He emphasizes that he must know every aspect of his shop, but that it must not be a one-man show. His employees are accountable and have weekly meetings and training in customer service, communication, interpersonal skills and positive thinking.

Two years ago he opened Romansons advertising and media centre in Dubai using contacts he had made when he was abroad. Paul has many more plans and he is confident that he can grow, but he wants to grow within the current ethos and not compromise on quality. He says that he is inspired by the methods and techniques of big business houses such as the Tatas. Maxims and management mottos flow freely from his lips as he says, *"if you are going to do something, do it properly"*.

His business has required a high level of investment in technology and machines, which he has put in from his own savings earned from his work abroad. But he has reaped the rewards for his hard work and investment and is now a wealthy man. Paul believes that there are more opportunities in India now and that his young son will not need to migrate when he is older.

Paul's advice to migrants:

- While working abroad you can learn a lot by meeting people and observing their business methods – but you must analyse and adapt rather than simply copy.
- Before starting a business do a careful analysis of what you are investing in. Carefully study the market and political situation to see if your business venture is feasible.
- As a migrant worker or a return migrant entrepreneur you must do a job or start a business in a field you know well.

Other Useful Information:

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BUILDING EXPERTISE TO ESTABLISH A BUSINESS IN A NICHE MARKET

John's Story, Kerala



**P
R
O
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Age: 49

Gender: Male

Country of Destination: Saudi Arabia

Education/Skill Level: Diploma in Engineering, a 2 year business studies course from Bombay, and safety engineering course

Employment History in Country of Destination: Worked for White Westinghouse Air Conditioning Company as an area manager, also set up business supplying air conditioner spare parts and maintenance to businesses

Current Occupation: Owns Sonok Trading which sells air conditioner and household appliance spare parts in Thiruvananthapuram

K. S. John left his home in Kerala at the age of 17 to join his brother in Mumbai. There, he completed his SSC and a diploma in business studies in 1973. Five years later he got the opportunity to go to Saudi Arabia to work. He got his job through an agency in Mumbai where a friend of his

family worked. At that time companies paid the fees to the agency and this service was free for workers.

Although John had no practical air-conditioning skills, his degree in business studies helped him find a job in the air-conditioning business overseas. Arriving in Saudi Arabia as a young man, he did not know what to expect, but was enthusiastic to work and earn money. He quickly learned the skills he needed on the job. When he first arrived, his boss told him to clean his car, even though he had been hired to do air conditioning servicing. John felt compelled to do so and did as he was told.

Despite these early problems he was not cheated in terms of his wages and earned about Rs 18,000 (per month). He stayed away from India for four years to save money before he came back home on holiday. After his first holiday he was away for another two years when he returned to get married in Kerala. Then he took his family with him to Saudi Arabia and was much happier there with them.

John worked for White Westinghouse air-conditioning company in Saudi Arabia, servicing, repairing and fitting spare parts. Eventually, he became the area manager for the company. With a local sponsor, he also set up his own business supplying and distributing air-conditioner spare parts and did air-conditioner maintenance in companies such as Coca Cola. However, he was robbed by his sponsor.

After 22 years spent working in Saudi Arabia, John planned to come back to Kerala in 2000 to be with his family for the millennium. He thought a lot about what he would do when he returned. He didn't want to go into a joint venture as he thought it might create problems, such as the ones he had with his business in Saudi Arabia. He had gained a lot of experience in the air-conditioning business working for a big company, learning about the most modern air-conditioning units and how to set up his own business. This knowledge proved to be crucial to the success of John's air-conditioning business in India. He also wanted his daughters to receive education and get married in India. Now, they have both qualified with B.Com degrees and are married - both to engineers, with one's husband in the Middle East.

During his time in Saudi Arabia, John sent his savings by bank transfer to his NRI account. By the time he returned, he had saved up a substantial amount, which he spent on building his house, on his children's marriage, his car, charitable causes and to set up his business.

Return Migrant Entrepreneurs in India

John's business, "Sonok Trading", which he set up on his return from Saudi Arabia, sells air-conditioner and household appliance spare parts. He took a Rs 1,500,000 loan to get ready cash to obtain parts for large orders or contracts which do not pay advances for all the parts they require. But he has not availed the help of any government schemes due to the lengthy procedures. He now employs eight people in a shop in Thiruvananthapuram. He mainly sells the spare parts to technicians who repair appliances for customers. He also acts like a consultant to the technicians, advising them on which parts to get and how to fit them free of charge. As a result, he has become a preferred source for technicians who always come to him to buy their parts for their customers. The technicians tell him that other dealers say they cannot source parts or cannot get them quickly, whereas his company always delivers quickly, within two to three days due to his determination and good contacts.

His business now has a healthy annual turnover, and John counts himself as a successful, influential person. He is deeply involved in local religious and charitable activities. He has plans to open a shop in Saudi Arabia, but he is afraid of being cheated by local partners as his business would depend a lot on a local sponsor.

John's advice to migrants

- You should be skilled in some field before you go abroad if you want to earn well.
- Don't get involved in drinking and gambling – avoid accumulating unnecessary debts.
- After returning, only start a business in a field or a job with which you are familiar.

Other Useful Information:

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OVERCOMING FRAUDULENT PLACEMENT AGENTS AND OPPRESSIVE WORKING CONDITIONS

5

Rosary's Story, Tamil Nadu



P	Age: 50
R	Gender: Female
O	Country of Destination: Singapore
F	Education/Skill Level:
I	Studied up to Class 8 (Tamil Medium)
L	Employment History in Country of
E	Destination: Domestic worker, cleaning, cooking, childcare, washing.
	Current Occupation: Clothing supplier in her village in Tamil Nadu.

Rosary's small clean house is a symbol of her hard work and struggle. As a young woman, her family struggled to raise money to pay for a dowry for her, so she decided to go abroad to earn some money. She wanted to escape the poverty and oppression of her village. She had left school after 8th Standard so her options were limited, but she was offered a job in a tailoring shop in Singapore by an employment agent whom she had approached.

She left her small village in Tamil Nadu and headed towards Chennai with the idea of going abroad. The agent did not take her to Singapore though; he made her work in Chennai. She eventually managed to get word to her family who paid the agent a higher fee to ensure that she was sent to Singapore.

She was sent to Singapore on a visitor's visa rather than with a work permit and the job in the tailoring shop she was expecting to do turned out to be non-existent. Rosary ended up working as a domestic worker. The agent who cheated her is still active now in Chennai, 20 years later.

Rosary first arrived in Singapore in 1986 and got a job with a Chinese family with whom she continued to work until 2000. When her work with this Chinese family came to an end she moved to another house where she worked for a year and a half. In that house she was abused. She didn't get enough food and was locked in her room. She complained to the Indian High Commission, but they ignored her and told her to return to India. When she complained to immigration officials upon returning to India, they, in turn, told her to complain to the embassy in Singapore.

However, after another two months in India she was compelled to return to Singapore because of her poor financial situation and increasing family responsibilities. She again took up a job as a domestic servant. However, the family she was working with insisted that she should participate in their religious practices. When she refused to comply they sent her back to India without her salary. She complained to the police and the labour office in Singapore, and thanks to their intervention, she finally got her salary. Rosary returned to Singapore again, and found a job with another family, but she continued to run into bad luck. This time the family tried to cheat her, accused her of stealing and didn't pay her salary. Her boss complained to the police, who investigated and found that she hadn't stolen anything. The police said that her boss must transfer her work permit so that she could be employed by someone else, but her employers refused and sent her to the airport with a ticket home. She returned to India in September 2003 and has not been back to Singapore since.

During the periods when she had work, Rosary was earning between Rs 4,000 and 6,500 a month. Her food, lodging and medical expenses were all paid for by her employers. Rosary supplemented her income by selling silk saris that she purchased during her visits to India. The sari business actually brought her a good sum of money.

This inspired her to set up a business as a clothing supplier upon her return to India. During her time in Singapore she was able to save some money in an NRI account. She spent some of her savings to build

her house, some she used to finance her nephew's education, and some she used to invest in buying saris and clothes for her business. In addition, she took a personal loan from her bank to get her business started even though she feels that personal loans are small and limiting.

However, now she has her own business buying and selling clothes. She purchases clothes and saris from wholesalers in Chennai and Madurai at a cheap rate and sells them in local villages.

But finance is a constant problem. The banks refused her further loans as she did not have enough assets that would serve as security. She cannot get an education loan for her nephew for the same reasons. She also missed out on Tsunami relief money as she was abroad at the time.

Rosary would like to expand her business and sell Indian clothes in Singapore. She could make a lot more money doing that but she does not have the capital needed to start such an enterprise. Rosary feels that she could do so much more if she had access to cheaper credit. She tried to get a loan from a local government self-help scheme but was told that she was not eligible.

At the age of 50, she is now unable to find work as a domestic worker in Singapore, as employers prefer younger women. She is limited to her small scale business by a lack of access to credit. Now she is pinning her hopes on her nephew, whose degree in Industrial Training she has financed through her work abroad and business.

Rosary's advice to migrants:

- You should inform yourself about working conditions in the destination and about the migration agency that you are going with. The more information you can get the better. Try to contact others who have gone through the same agent. Verify the authenticity of the agent.
- You should contact people who are already working in the place you are going or people who have been abroad for advice and information.
- What business you do when you return depends of the potential customers and the area you live in.

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OVERCOMING FRAUDULENT PLACEMENT AGENTS AND OPPRESSIVE WORKING CONDITIONS

Pousta Dorse’s Story, Tamil Nadu



P
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Age: 48 years

Gender: Female

Country of Destination: Singapore

Education/Skill Level: Studied up to Class 5 (Tamil medium) in a Church run private school.

Employment History in Country of Destination: Worked as a domestic worker.

Current Occupation: Local agent for Aavin Milk, state milk company in Tamil Nadu, door-to-door milk distributor in village.

Pousta Dorse first went to Singapore for three years between 1987 and 1990, She paid a local agent with contacts in Chennai to send her to Singapore and got a job with a family there. Her aunt was very supportive of her decision to migrate and she went to Singapore with her sister. Pousta was very unhappy in her marriage as her husband used to drink a lot which is why she made the decision to go to Singapore and earn some money.

She started to earn a good salary as a domestic worker, doing cooking, cleaning and looking after the children of a Chinese family. She was forced to return in 1990, when her husband died. After two years spent in her native Tamil Nadu village, arranging her affairs, she was now more determined than ever to go back to Singapore and earn money since she was now the main breadwinner of the family and there were limited work opportunities locally. While in Singapore, Pousta used her situation to her advantage, buying silk saris and other goods when she visited India to sell in Singapore.

During her stay in Singapore, Pousta was paid well and not cheated or maltreated, although many of her friends in Singapore reported that they faced various forms of cheating or exploitation. Pousta managed to send almost all her salary home to her NRI account to support her children and younger sister and pay for her sister's wedding. She also returned with some savings in the form of jewellery.

Although working as a domestic worker in Singapore did not offer her much in the way of business training or experience, Pousta's practice of buying and selling goods between India and Singapore gave her some idea of how to run a business.

After working in Singapore for ten years as a domestic worker, in 2001 Pousta decided to set up her own business in her native village in southern India. Pousta and her sister together run a milk agency now. Pousta is the local agent for Aavin Milk, the state milk company in Tamil Nadu, and she and her sister supply milk door-to-door in their small village.

They hit upon the idea of setting up a milk agency as there was no milk available in their village at that time. So they decided to set up an authorised dealership with Aavin Milk. With their own capital they set up and have run the business since 2001. They have not approached any bank for loans and they have not received any government assistance.

Now they distribute about 35 litres of milk a day in their village, plus some yoghurt and cheese products. This fetches them a small income from which they support their families. Pousta is also sending her son to study information technology. The business faces stiff competition from other milk companies, but Aavin milk has a good reputation, despite being slightly more expensive than other brands. They also face problems with customers getting milk on credit and not repaying their loans, as they are always short of finance, and the company must be paid every week.

Return Migrant Entrepreneurs in India

Pousta would like to expand her business and set up a milk booth, invest in new refrigerators and freezers and perhaps even some kind of vehicle to deliver more milk. At the moment she does not have the finances to be able to do these. She is frustrated by the lack of help given to women in her position by the government and banks, who she thinks discriminate against women. She is also frustrated because at her age it is difficult to go back to Singapore to work as a domestic worker, as families prefer to hire younger women.

Pousta and her sister have managed to set up a successful business with little support and in difficult circumstances. Now they are at least comfortable and able to support their families.

Pousta Dorse's advice to migrants:

- Before you go abroad, work out a written contract with the exact salary and terms and conditions of work with the employer.
- Find organizations that will help you in case of an emergency.
- When you return, start a business taking into account the needs of the people, potential customers, and the opportunities available in your area.

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TURNING A PERFECTED TRADE INTO A BUSINESS ASSET

Rajiv's Story, Tamil Nadu



PROFILE

Age: 42 years

Gender: Male

Country of Destination: Saudi Arabia

Education/Skill Level: Studied up to 6th Class.

Employment History in Country of Destination: Worked as a tailor.

Current Occupation: Owns a tailoring shop in Tamil Nadu.

Rajiv dropped out of school after 6th Standard and trained to become a tailor. He worked for many years in a local tailoring shop before he decided to try his luck in Saudi Arabia. Rajiv was inspired by other people in his village who had successful experiences as migrant workers. People from his village helped him get a job in a company in Saudi Arabia, for which he paid them a fee.

When he went abroad he was promised a salary of Rs 15,000 per month, but in reality he only received a minimal salary, barely enough to subsist on. However, he was given extra money based on the work he did. This made the salary very unpredictable and irregular as the work was concentrated during festivals such as Ramadan and Eid. Sometimes he was able to earn a lot and sometimes hardly anything. The hours of work also varied a lot. He wasted a lot of time with nothing to do and at other times he had to work very long hours. His boss in Saudi Arabia treated him well and was a good employer apart from the problems with the irregular salary.

Rajiv worked as a tailor in Saudi Arabia for five years, from 1991 to 1996. When he first went abroad it took several months before he was able to send money back to his family, and as they had spent a lot of money sending him abroad initially, his wife had to sell some of her jewellery to survive, in the meantime. Eventually he was able to transfer some money to his wife's bank account.

Rajiv was not happy in Saudi Arabia. His life was hard and stressful and the salary was not very good or regular. He decided that he would rather be self-employed and returned to India to start his own tailoring business. He owned a small property in his village prior to migrating which he converted into a tailoring shop. During his stint in Saudi Arabia, Rajiv had saved around Rs 50,000 which he used to construct his shop. He also took a small loan worth Rs 2,000 from his sister-in-law to buy the machines.

Later Rajiv tried to go abroad again, attempting to go to Mauritius. He entrusted a placement agent to get him a visa, but the agent disappeared with his passport and refused to return it. Only after a lengthy search and much trouble and discussion was the passport returned. Due to his bad experience, Rajiv does not have faith in agencies and believes that they charge too much. He firmly believes that the government should regulate migration agencies more closely. He also adds that returnees do not always have a lot of capital saved up to start businesses and the government should provide them with better access to credit.

Now he is settled in India, and sends his two young children to school. He would like to expand his business and hire another person, but tailoring is not very popular among young people and he cannot find a suitable assistant. Rajiv says that if he were to go abroad again it would be to some place other than Saudi Arabia and only if it is a reliable job. But he doesn't think he will be able to as the fees charged by agencies are so high.

Rajiv feels that his experience abroad as a tailor has given him a competitive edge over other tailoring businesses. While he was in Saudi Arabia, he learnt to stitch trousers. People find that his tailoring and finishing is of a higher quality, so his shop gets most of the local business. He has to turn down work as he isn't able to do everything, which is very frustrating. Now he makes a modest salary, from which he is able to live well and look after his family. His costs are low as he doesn't have any debts and has low overheads as he works alone and owns his shop.

Rajiv's advice to migrants:

- Be careful when dealing with placement agencies, check the information they give you.
- When you return from working abroad, if the company you worked for there was reliable, you could go back again. Otherwise you should buy a house and establish a business in your line of work.

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POLICY RECOMMENDATIONS BASED ON INTERVIEWS WITH RETURN MIGRANT ENTREPRENEURS

There are two main ILO conventions and supplementing recommendations relating to migrant workers. These are:

- ILO Convention No. 97 Migration for Employment Convention (1949)
- ILO Convention No.143 Migrant Workers Supplementary Provisions Convention (1975)
- ILO Recommendation No. 86 The Migration for Employment Recommendation (1949)
- ILO Recommendation No. 151 The Migrant Workers Recommendation (1975)

Even though these conventions may not be ratified by all the member states they do establish a standard of protection due to migrant workers under international law.

Although the contributions made by migrant workers to the national economy in the form of remittances are widely acknowledged, more needs to be done to channelize the flow of their capital and skills in productive ways in order to maximize development on a local and national level.

There was a need echoed among the return migrants for government assistance in providing greater access to and awareness about credit and advisory services. In addition, as highlighted in the case studies, government strategy to address the grievances of migrant workers employed abroad appears to be limited. This underlines the importance of implementing a policy framework that counterbalances the interest in facilitating labour migration, absorbing return migrants into the economy productively and

safeguarding the rights of migrant workers. Such changes need to take the form of policy and legislative changes as well as training ‘frontline’ staff - police, embassies and local authorities - in immigration, on how to effectively respond to the needs of migrants.

The policy recommendations that follow are primarily distilled from interviews with return migrants as detailed in the case studies presented and have been supplemented by discussions with concerned social actors.

Pre-Departure:

Many migrants suffer in the countries they go to work in, or are cheated at some stage in their migration essentially due to lack of information or awareness about the process related to labour migration. One underlying reason is the power unscrupulous employment agencies can exert because they serve as the sole authorities on the bureaucratic procedures of migration.

Effective strategies for combating these challenges have been followed by other countries such as Sri Lanka and the Philippines where nationwide information campaigns to raise awareness of the issues surrounding migration are coupled with pre-departure training for migrant workers. In these countries pre-departure training is a mandatory procedure that must be fulfilled before permission is granted to the worker to emigrate.

Box A: The Philippines Model for Managing Labour Migration

Because of the scale of labour migration the Filipino government has introduced measures to protect and encourage labour migration that is executed by all levels of government. These are widely recognized as providing a model for State supervised labour migration. These measures include the responsibility of (i) education authorities who must design skill training programmes in response to the needs of labour markets abroad (ii) immigration authorities who must verify travel documents (iii) justice authorities who deal with the prosecution of malpractices by recruiters (iv) central banks that enable migrant workers to transfer savings through formal channels.

In order to work abroad, nationals must be recruited by either a licensed agency or a government placement agency or must have their employment contract approved by the government. The government also closely monitors private placement agencies and has strict requirements that such agencies need to meet before they can operate. The government also provides subsidised benefits to migrant workers using official migration channels such as pre-migration training on working conditions abroad, life insurance and pension plans, medical insurance and eligibility for emergency loans. More specifically, the Philippines Overseas Employment Administration, a government agency, provides an orientation seminar on airport procedures, realities of living in a receiving country, understanding and handling employment contracts as well as government and NGO services for migrant workers overseas.⁹

⁹ *Id.* at 27-31.

The Indian government provides measures based on protections enshrined in the Emigration Act and related policies such as the registration of placement agencies, requiring agents to make a security deposit, investigation of unscrupulous agents and suspending the registration of blacklisted agencies.¹⁰

In addition, for lower skilled workers an emigration clearance is required and the employment contract is verified by the Protector of Emigrants, part of the Ministry of Overseas Indian Affairs. However, based on the interviews conducted in this study, it has emerged these protections need to be strengthened to better promote and protect the well-being of migrant workers. Stringent enforcement and raising awareness of available protections are essential steps towards safeguarding the rights of migrant workers. Many of the return migrants interviewed said they wished that the activities of placement agencies were regulated better. Regulations were especially needed to ensure that these agencies met the promises they made to migrants and also on the fees they charged. Regulations were also needed to ensure that contracts and documentation made by the agencies were genuine and that the terms adhered to. Also, regulations should be made on the handling of migrants' documents by agencies and they should be held liable for the loss of the same. A well-publicised list of government authorized agencies as well as blacklists of agencies or individual agents who have been known to defraud people would be of help to potential migrant workers. In addition, if there were serious repercussions for malpractices committed by placement agencies, it would deter such activities and keep the migration process accessible and fair for all.

Many migrants interviewed did not use formalised channels such as placement agencies but instead relied on family or friends already established abroad for information and/or financial support. In such cases, regulation may be difficult. However, a published list of general guidelines and procedures one should follow in the process of emigration may be useful. Another channel of migrating is through a sponsor company directly. In such cases, interviewed migrants expressed the need for working out the details of a contract and the terms and conditions of their work with the employer before departing.

ILO Convention No. 143 provides that the State should take measures aimed at acquainting migrant workers with their rights and

¹⁰ Supra note 5 at 21.

obligations and with developing other activities designed to give effective assistance to migrant workers for their protection.¹¹ Additionally, migrant workers should be provided with free and accurate information services in securing employment.¹² In this regard appropriate steps should be taken against misleading propaganda relating to emigration and immigration and to facilitate migration.¹³ Pre-departure training has been analysed elsewhere in ILO studies - it should inform prospective migrants about their rights and responsibilities, about the potential dangers and opportunities that migration entails and how migrant workers may seek help if they need it.

Besides being unaware about their rights and how to seek help in case of maltreatment, many migrants find themselves abroad without knowing how to handle their savings, spending and how to send money back home. Pre-departure training that familiarizes migrants with the different options available to them would be useful and give them an overview of what to expect.

Assisting Migrant Workers

To protect the rights of migrant workers based abroad, the government provides several avenues for redressal through the Protector of Emigrants. These include repatriation of migrant workers as well as public hearings of their grievances followed by commensurate action against placement agencies and officials handling emigration matters.¹⁴ State governments have also implemented programmes to assist migrant workers based overseas. For instance, the Kerala government has set up an agency called NORKA (Non Resident Keralaites Affairs), specifically to redress the grievances and safeguard the rights of Keralite workers abroad.¹⁵ Notwithstanding these measures, a concern voiced by many return migrants is that these processes need to be strengthened considering the tremendous insecurities encountered while working overseas. While a few migrants interviewed had experienced the weaknesses of the system first hand, most others were aware of such lapses based on common knowledge. Therefore, more needs to be done to ensure stringent implementation and awareness so that migrant workers can fully benefit from these protections.

¹¹ ILO Convention No. 143 Article 12(c).

¹² ILO Convention No. 97 Article 2.

¹³ ILO Convention No. 97 Article 3 and 4.

¹⁴ *Id.*

¹⁵ For more information visit <http://www.norka.gov.in/norka.htm>

The returnees interviewed recommended that embassies in the countries of destination should provide services to assist with complaints of non-payment of wages and maltreatment. As a result of a deficit in migrant worker services, embassies were perceived as not caring for migrant workers, taking no action to help them and in some cases getting them in more trouble than they were in already. In certain cases, migrant workers from lower skilled backgrounds were subject to discrimination both from employers in the host country as well as embassy staff whom they found to be rude, sarcastic and abusive.

Adequate training should be provided to embassy staff to ensure that they look after the needs of migrant workers, treat their complaints seriously and work in a professional way with them. Taking such a thorough and rigorous approach could send a message to both other governments and to employers that maltreatment, non-payment or unsafe working conditions will not be acceptable. Apart from embassies, there should be other organizations - governmental or non-governmental - that address these issues. The interviewees expressed the need for organizations which they could approach in times of emergencies, arising not just due to the activities of the sponsor but for example be health or family related. By providing incentives for and encouraging groups of migrants abroad to form communities to help each other out during such times will be a helpful step.

For Returning Entrepreneurs

The principal concern of return migrant entrepreneurs was access to credit. Many found it hard to get credit or found the rates of interest to get loans prohibitive. Though this varied in different states and in different areas, poorer people and women in rural areas found it very difficult to get even small amounts of credit. This difficulty in accessing credit through banks and the government has presented a trade off between credit in the form of loans and subsidies from institutions versus credit in the form of loans and gifts via informal means such as family members or *zamindars* (feudal landowners) in villages.

Some returning migrants were either not aware or did not benefit from government schemes and banking facilities. Some recommended awareness raising schemes for potential investors about opportunities and government plans. As they had been away from the country for so long, some felt that they had lost touch and might benefit from advice about market conditions. They said they would like some kind of advisory body for return migrant investors at a local or state level. Some of those interviewed

suggested holding awareness-raising or training programmes for entrepreneurs that could help encourage small businesses and give confidence to those who wanted to invest. Many of those interviewed had taken advice from friends who had returned or local entrepreneurs due to a lack of such a training programme.

Some of those interviewed cited the lengthy procedures and processing period for procuring loans and other facilities as the reason for not approaching banks while setting up businesses. Most of those interviewed in the case studies expressed a wish for special treatment from banks such as fast clearances or special queues. They also asked for involvement in government investment, with promises of guaranteed returns on their investments. Others asked for low tax rates on NRI investments as they represent a gain to the GNP.

It was noted that apart from Kerala, other states really did not have any formal networks or collaboration among migrants or returnees. Associations of migrants or returnees, aligned to NGOs or unions might be one way in which migrants and return migrants could make their voices heard in local politics in order to encourage policies which encourage return, investment and entrepreneurship by migrants.

There was a feeling that the average migrants get bypassed and only wealthy NRIs benefit from government schemes. It was felt by some that smaller investors should be given the opportunity to invest in public private partnerships in their own local area. In this context, the guidance and help extended in Andhra Pradesh, Delhi and Kerala to returning migrants by financial and industrial development corporations are a welcome step forward.¹⁶ More needs to be done to extend such programmes to small/medium investors through consortium projects that would give them the security of guaranteed returns. In addition micro-credit institutions and cooperative ventures which can attract investments from migrant workers in another avenue that could provide return migrants investment options.

While most return migrants come back with enhanced skills and capabilities, many return with limited or no capital and, therefore, the question is how best the government can leverage these assets in a way that benefits all and impacts development.

¹⁶ Supra note 5 at 22.

ANNEX 1

Table A: The table below summarizes the problems encountered by the 21 migrant workers who were interviewed as part of the case studies¹⁷

Problems mentioned by migrants	No. of mentions
In the country of destination	
Cheating or abuse by employers	8
Lack of help from embassy	4
Cheating by placement agents	4
Loneliness/Culture shock in destination	2
Health problems	2
Lack of insurance scheme for migrants in trouble	1
Helping stranded migrants	1
Visa/Immigration legal problems	1
Upon return or starting business in India	
Lack of access to credit/Need for cheaper credit	7
Lack of awareness of schemes for returnees	4
Lack of awareness of migration reality	3
General attitude of government	3
Too much bureaucracy/Regulation from government	2
Failure of business due to lack of awareness of market conditions	2
lack of awareness of investment opportunities	1
taxes / charges too high	1

¹⁷ Out of a total of 21 return migrant entrepreneurs interviewed in this study only 11 have been presented in this report.

SUGGESTED READING AND REFERENCE MATERIALS:

- ILO Convention No. 97 Migration for Employment Convention (1949) available at <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C097>
- ILO Convention No.143 Migrant Workers Supplementary Provisions Convention (1975) available at <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C143>
- International Labour Office: *Towards a fair deal for migrant workers in the global economy*, International Labour Conference Report VI, 92nd Session (Geneva, ILO, 2004)
- International Labour Office: *Summary of conclusions*, Report of the ILO Regional Tripartite Meeting on Challenges to Labour Migration Policy and Management in Asia, Bangkok, 30 June – 2 July 2003.
- International Labour Office: General survey on migrant workers, Report III(1B), International Labour Conference, 87th Session (Geneva, ILO, 1999).
- Manolo Abella: *Sending workers abroad: A manual for low and middle income countries* (Geneva, ILO, 1997).



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