

# India Labour Migration Update 2018



International  
Labour  
Organization

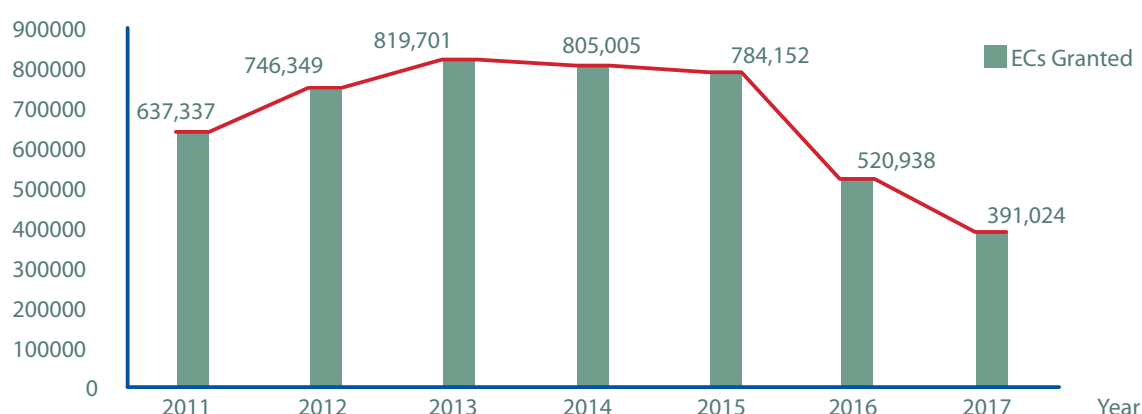
## Overview<sup>1</sup>

India is a major country of origin and transit,<sup>2</sup> as well as a popular destination, for workers across international borders.<sup>3</sup> As per official figures, there are over 30 million Indians overseas, with over 9 million of the Indian diaspora concentrated in the GCC region (now known as the Cooperation Council for the Arab States of the Gulf).<sup>4</sup> Over 90% of Indian workers, most of whom are semi-skilled and unskilled workers, work in the Gulf region and South-East Asia.<sup>5</sup>

Analysis of international migration trends in India is inhibited by the limited official data available. Data is available only for workers migrating legally with Emigration Check Required (ECR) passports<sup>6</sup> and to one of the 18 ECR countries.<sup>7</sup> That is, labour migration data is available mostly for workers who have to register for emigration clearance. This includes those who have not passed Class 10 at least, are leaving via employment visas into specific sectors or are workers emigrating for the first time to the GCC region, Malaysia and a few other countries.<sup>8</sup>

While exact numbers are not known, several studies<sup>9</sup> point to the presence of larger outflows of labour migration and the presence of large numbers of undocumented migrants in the GCC region.<sup>10</sup> Workers could also be migrating legally on ECNR passports and beyond ECR countries, for which data is not available.

Figure 1: Number of emigration clearances granted in India (2011–17)

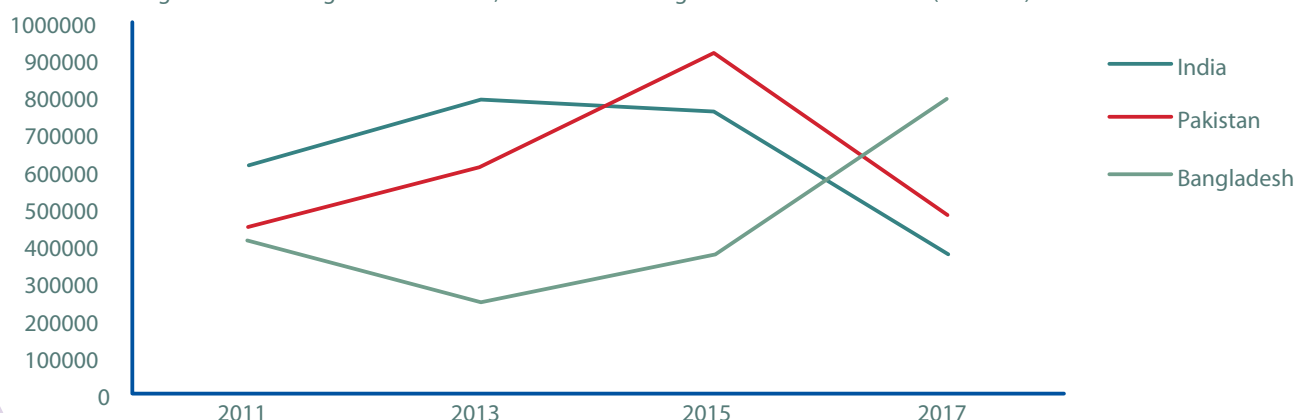


Source: Data released by the Ministry of External Affairs (MEA) 2011–17.

<sup>11</sup>

Official data shows 520,938 workers migrated for work legally after completing ECR procedures in 2016, compared to the 784,152 workers who left in 2015. The number for 2017 was 391,024 (emigration clearance obtained via recruitment agents, project employers and direct recruitment, see figure 1 above). As per the MEA's Annual Report 2016–17, this drop is explained by the decline in crude oil prices and the resulting economic slowdown in the GCC countries.<sup>12</sup>

Figure 2: Total emigrants from India, Pakistan and Bangladesh to GCC countries (2011–17)



Source: Websites of the MEA, India; Bureau of Emigration and Overseas Employment, Pakistan; Bureau of Manpower, Employment and Training, Bangladesh.

<sup>13</sup>

Figure 2 shows that the number of emigrants from both India and Pakistan has decreased substantially since 2015, while the numbers of Bangladeshi workers migrating to the GCC has seen a sharp increase during the same period. The economic slowdown in destination countries, especially Saudi Arabia and Kuwait, adversely affected the flow of Indian workers. At the same time, the lifting of earlier restrictions on the recruitment of Bangladeshi workers in Saudi Arabia led to a more than ninefold increase—specifically, 846 per cent—from 58,270 to 551,308; Kuwait saw an increase of 184 per cent, from 17,472 to 49,604. In absolute numbers as well, more Bangladeshi and Pakistani workers have migrated to the six GCC countries than Indian workers in the past two years. This shift could be attributed to the introduction of the compulsory employer registration through the E-migrate system<sup>14</sup> and the introduction of high minimum referral wages,<sup>15</sup> which could have disincentivized recruitment from India.

## Gendering migration for work from India

Recent attempts to disaggregate data on labour migration by gender on a global and regional scale have shed some light on the magnitude of women's migration for work. According to data from the UN Department of Economic and Social Affairs (UNDESA), the Indian migrants stock in GCC countries increased from 2.4 million in 1990 to 6.8 million in 2013, with growth prominent among both male and female migrants in all countries (see table 1 below). The male–female proportion in the total Indian migrant stock has remained more or less the same during the past two decades, with women comprising approximately 23.6 per cent of the total stock. However, official data shows declining numbers of women departing with emigration clearance to Gulf countries.<sup>16</sup>

Table 1: Country-wise migration of workers from India, Pakistan and Bangladesh (2011–17)

|              | 1990             |                 |                  |                     | 2013             |                  |                  |                     |
|--------------|------------------|-----------------|------------------|---------------------|------------------|------------------|------------------|---------------------|
|              | Male             | Female          | Total            | Total migrant stock | Male             | Female           | Total            | Total migrant stock |
| Bahrain      | 46 828           | 13 665          | 60 493           | 173 200             | 199 767          | 63 088           | 262 855          | 729 357             |
|              | 77.4             | 22.6            | (34.9)           |                     | 76               | 24               | (36)             |                     |
| Kuwait       | 380 458          | 173 123         | 553 581          | 1 585 280           | 541 143          | 189 415          | 730 558          | 2 028 053           |
|              | 68.7             | 31.3            | (34.9)           |                     | 74.1             | 25.9             | (36)             |                     |
| Oman         | 180 878          | 31 678          | 212 556          | 423 572             | 551 885          | 92 819           | 644 704          | 1 112 032           |
|              | 85.1             | 14.9            | (50.2)           |                     | 85.6             | 14.4             | (58)             |                     |
| Qatar        | 101 233          | 27 914          | 129 147          | 369 816             | 473 069          | 103 707          | 576 776          | 1 600 955           |
|              | 78.4             | 21.6            | (34.9)           |                     | 82               | 18               | (36.1)           |                     |
| Saudi Arabia | 652 957          | 328 665         | 981 622          | 4 998 445           | 1 223 522        | 538 335          | 1 761 857        | 9 060 433           |
|              | 66.5             | 33.5            | (19.6)           |                     | 69.5             | 30.6             | (19.5)           |                     |
| UAE          | 353 659          | 104 635         | 458 294          | 1 306 574           | 2 224 781        | 627 426          | 2 852 207        | 7 826 981           |
|              | 77.2             | 22.8            | (35.1)           |                     | 78               | 22               | (36.4)           |                     |
| <b>Total</b> | <b>17 16 013</b> | <b>6 79 680</b> | <b>23 95 693</b> | <b>88 56 887</b>    | <b>52 14 167</b> | <b>16 14 790</b> | <b>68 28 957</b> | <b>2 23 57 811</b>  |

Notes: (i) Figures in blue, in relation to the male and female columns indicate the proportion in total flow.

(ii) Figures in brackets in the total column indicate the proportion of Indians in total migrant stock in the respective countries.

(iii) This data does not include nurses who have been brought into the ambit of ECR procedures in recently.

Source: Sasikumar and Timothy (2015).<sup>17</sup>

From August 2016, recruitment through the six state-run recruitment agencies was made mandatory for Indian nurses and domestic workers.<sup>18</sup> Additionally, there is a minimum age criteria (30 years) for all women (except nurses) emigrating on ECR passports to ECR countries, irrespective of the nature of employment. The registration of foreign employers in the E-migrate system after they are validated by the concerned Indian Mission has also been made mandatory, as has embassy attestation for the direct recruitment of ECR passport–holding women migrants to ECR countries.

Research shows that migration bans do not prevent people from migrating and are discriminatory based on gender, class and age. In fact, they place women at greater risk of abuse during the migration journey, with less control over their migration experience.<sup>19</sup> Due to the protectionist nature of the policy measures mentioned above, it is possible that women migrants in India may be resorting to illicit channels to migrate, with increased costs and risks.<sup>20</sup>

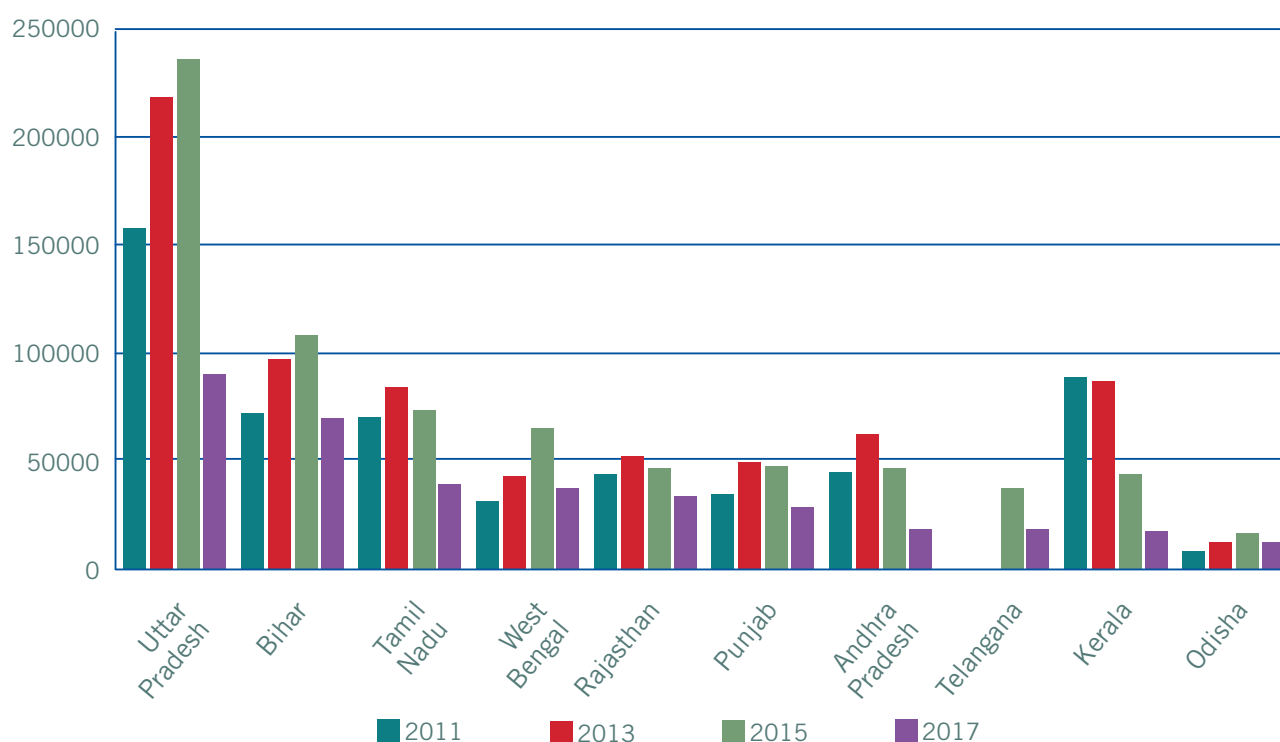
## Migration, skills and employment

In India, the overall proportion of informal workers in total employment (e.g., unorganized sector workers plus informal workers in the organized sector) has remained relatively stable, at around 92 per cent.<sup>21</sup> Hence, a majority of the Indian workforce deals with some level of informality in their employment. Coupled with a national unemployment rate of 3.4 per cent in 2017–18,<sup>22</sup> the opportunities to find formal employment with decent wages and job security are restricted. In such a scenario, emigration for work with a formal contract and better wages are major motivation to leave.

Some data is available on migrant stock in ECR destination countries collected by the MEA through Indian missions abroad. Saudi Arabia features as the most popular destination, hosting over 2.5 million workers in 2016.<sup>23</sup> ECR flows might be a very small proportion of the total labour force in India (estimated at nearly 485 million), but in comparison with the annual addition to the labour force in the past two decades (at an average of 7 million to 8 million workers per year), the labour outflow figures are quite heavy, and foreign employment destinations have acted as a crucial safety valve for the Indian labour market.<sup>24</sup>

This is particularly important given that the country's employment growth has been much lower in recent years, with some states being more adversely affected than others. There has been deceleration of employment growth in India between 2004–05 and 2011–12, which worsened from 2013–14 to 2015–16. Employment growth declined 0.7 per cent per annum between 2004–05 and 2009–10 and further down to 0.4 per cent per annum between 2009–10 and 2011–12.<sup>25</sup> From 2013–14 to 2015–16, total employment in India shrank by about 0.4 per cent per annum, i.e., an estimated reduction of 3.74 million persons in employment. Total employment reduction based on sectoral estimates for the same period would be 5.3 million persons in employment.<sup>26</sup> Labour bureau statistics too recorded a drop in the number of jobs: from 480 million in 2014 to 467 million in 2016.<sup>27</sup>

Figure 3: ECR data on ten top sending states, 2011–17



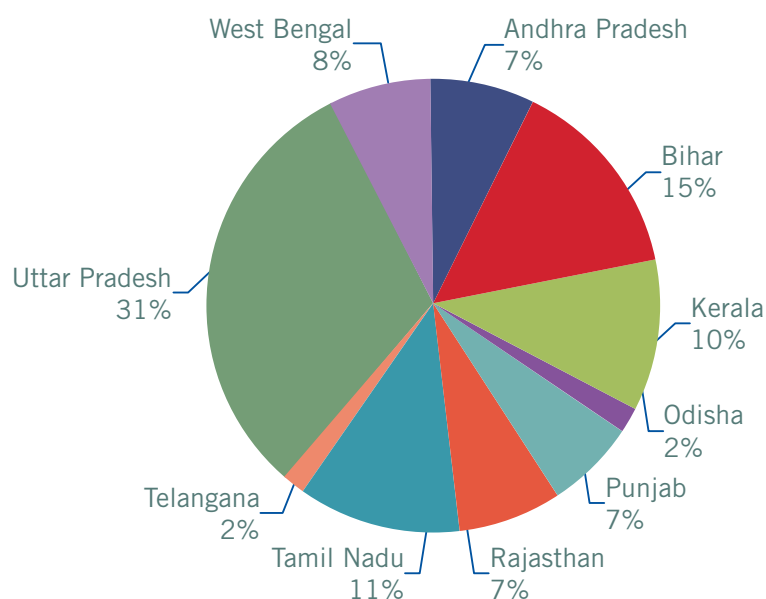
Note: Telangana was created after the bifurcation of Andhra Pradesh and data is available from 2015 onwards. Andhra Pradesh data from 2015 onwards is not comparable to the previous years' data.

Source: MEA data 2011–17.<sup>28</sup>

The decision to emigrate for work is influenced by a number of factors, especially the availability of employment at source, within the home country and at the destination. Wages earned, skill levels, living and working conditions, cost of migration and cultural factors also influence such decisions. Figure 3 above depicts the top ten sending states in India; Uttar Pradesh has taken the lead since 2011, followed by Bihar, Kerala and Tamil Nadu. Despite a decline

in 2016 and 2017 in the ECR category, it is possible that there are still large numbers of emigrants from Kerala, but that many have graduated into the ECNR category.<sup>29</sup> High poverty levels, unemployment rates and wage differences between source and destination play an important role in influencing migration choices. High-migration zones and specific districts within each of these states usually contribute the bulk of emigrants to the GCC region.<sup>30</sup>

Figure 4: State wise emigration clearance granted, 2011–17



Source: MEA data 2011–17.<sup>31</sup>

Skills are an important factor in determining wages and the overall migration experience. Low-skilled workers, usually ECR migrants, are more vulnerable to wage exploitation and unacceptable living and working conditions. The Indian government has initiated schemes and programmes such as the Skill India initiative to focus on skilling workers and providing training and certification in addition to pre-departure orientation. Steps have also been taken to train and sensitize government officials at the state and central level to enable better migration management.<sup>32</sup>

## Migration, remittances and the Indian economy

The contribution of migrant workers, both high-skilled and low-skilled, has led to India's top remittance position in the world. A recent study by ILO and KNOMAD predicts India to retain its top position as the largest remittance receiving country in 2017, recovering from a 9 per cent decline in 2016.<sup>33</sup> This decline was due to a host of cyclical factors like slowing down of the economy globally especially in the GCC countries, the Russian federation and even Europe. Further, the weakening of the euro and pound versus the dollar led to a sharper decline in remittances for the same period. Contractionary fiscal policies are another reason for the reduction in remittances. Remittances from the GCC make up 52% of remittances received in India<sup>34</sup> and hence the cyclical decline would have been far more pronounced for India in 2016.

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<sup>1</sup> The author thanks Seeta Sharma and Max Tunon, ILO, for their helpful comments.

<sup>2</sup> See S. Sharma and D. Thapa: *Taken for granted: Nepali migration to India*, Working Paper (Kathmandu, Centre for the Study of Labour and Mobility, 2013), and N. Wadhawan: "From rupees to dirhams: Gender, remittances and labour migration from Nepal to the GCC region", in P.C. Jain and G. Oommen (eds): *South Asian migration to the GCC countries* (London, Taylor and Francis, 2016).

<sup>3</sup> India hosts 5.2 million migrants as per the UNDESA Migration Trends 2015. Also see ILO Labour Migration Update 2016 for available data on India as a destination.

<sup>4</sup> Based on Ministry of External Affairs (MEA) data from presentation shared at Videsh Sampark meeting, Mumbai, 28 August 2017. The Indian diaspora, comprising people of Indian origin (POIs) and non-resident Indians (NRIs), constitutes a heterogeneous global community.

<sup>5</sup> Ibid.

<sup>6</sup> Indian nationals who possess ECR passports have to obtain emigration clearance if they wish to go abroad for work or employment in one of the 18 notified ECR countries. The Government of India can also bring certain occupations into the emigration clearance system, even for those holding ECNR passports.

<sup>7</sup> According to the MEA website, the 18 ECR countries are the Kingdom of Saudi Arabia (KSA), the United Arab Emirates (UAE), Qatar, Oman, Kuwait, Bahrain, Libya, Jordan, Yemen, Sudan, South Sudan, Afghanistan, Indonesia, Syria, Lebanon, Thailand, Iraq and Malaysia.

<sup>8</sup> All persons between the age of 18 and 50, those who have been staying abroad for more than three years and their dependants, income-tax payers and professional-degree holders are also exempt from ECR.

<sup>9</sup> For example, see S.I. Rajan (ed.): *India Migration Report 2014* (New Delhi, Routledge, 2014), S.I. Rajan (ed.): *India Migration Report 2015* (New Delhi, Routledge, 2015), and S.I. Rajan (ed.): *India Migration Report 2016* (New Delhi, Routledge, 2016). Also see S.I. Rajan et al: Tamil Nadu migration survey 2015, CDS Working Paper 472, (February 2017), <http://cds.edu/wp-content/uploads/2017/03/WP472.pdf> [accessed 17 Dec 2017], and K. Zachariah and S.I. Rajan, *Dynamics of emigration and Remittances in Kerala: Results from the Kerala migration survey 2014*, CDS Working paper 463 (September 2015), <http://cds.edu/wp-content/uploads/2015/10/WP463.pdf>, [accessed 17 Dec 2017].

<sup>10</sup> For example, see N. Shah: Recent amnesty programmes for irregular migrants in Kuwait and Saudi Arabia: Some successes and failures, Explanatory Note No. 9/2014 ( Gulf Labour Markets, Migration and Population Programme, 2014).

[http://cadmus.eui.eu/bitstream/handle/1814/34577/GLMMEExpNote\\_2014\\_09.pdf?sequence=1&isAllowed=y](http://cadmus.eui.eu/bitstream/handle/1814/34577/GLMMEExpNote_2014_09.pdf?sequence=1&isAllowed=y) [accessed 27 Jan. 2018].

<sup>11</sup> <https://emigrate.gov.in/ext/preViewPdfGenRptAction.action>, [accessed 22 Jan. 2018].

<sup>12</sup> MEA: *Annual report 2016-17* (New Delhi, Government of India, 2017), [https://drive.google.com/file/d/0B8qM\\_niyPuIuV1dSYzV2dW45Mmc/view](https://drive.google.com/file/d/0B8qM_niyPuIuV1dSYzV2dW45Mmc/view) [accessed 20 Nov. 2017].

<sup>13</sup> Data for India: <https://emigrate.gov.in/ext/preViewPdfGenRptAction.action>; data for Pakistan: <http://www.bcoe.gov.pk/files/statistics/2017/country.pdf>; data for Bangladesh: <http://www.bmet.gov.bd/BMET/viewStatReport.action?reportnumber=17>. All data accessed 29 Jan. 2018.

<sup>14</sup> A. Nawaz: "How India's recent migrant policies helped Bangladesh and Pakistan eat into our GDP", in *Outlook*, 27 Feb. 2017, <https://www.outlookindia.com/website/story/how-indias-recent-migrant-policies-helped-bangladesh-and-pakistan-eat-into-our-g/298076> [accessed 1 Dec. 2017].

<sup>15</sup> S.K. Sasikumar and S. Sharma: *Minimum referral wages for international migrant workers from India: An assessment* (New Delhi, ILO, 2015).

<sup>16</sup> In 2015 and 2016, 1,167 and 950 women workers migrated with emigration clearances from the top 25 sending districts in India, compared to 512 in 2017, according to data available on the E-migrate portal.

<sup>17</sup> UNDESA 2013 data in S.K. Sasikumar and R. Timothy: *From India to the Gulf region: Exploring links between labour markets, skills and the migration cycle*, (Delhi, GIZ and ILO, 2015), p. 4.

<sup>18</sup> These are NORKA Roots and Overseas Development and Employment Promotion Consultants (ODEPC) of Kerala; Overseas Manpower Corporation Limited (OMCL) of Tamil Nadu; Uttar Pradesh Financial Corporation (UPFC) of Uttar Pradesh; Overseas Manpower Company Andhra Pradesh Limited (OMCAP) of Andhra Pradesh and Telangana; Overseas Manpower Company Limited (TOMCOM) of Telangana. These are the states that have sent the highest number of women workers in the past few years.

<sup>19</sup> ILO: *No easy exit – Migration bans affecting women from Nepal* (Geneva, 2015), p. ix.

<sup>20</sup> See <http://apmigration.ilo.org/resources/policy-brief-women2019s-mobility-and-domestic-work>

<sup>21</sup> ILO: *India labour market update* (XX PLACE, 2016). Based on NSSO Employment-Unemployment Survey (2011-12).

<sup>22</sup> ILO: *World employment and social outlook 2017* (Geneva, 2017),

[http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_541211.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_541211.pdf), [accessed 17 Dec 2017].

<sup>23</sup> Government of India: Lok Sabha unstarred question No. 2763, Aug 2, 2017,

[http://www.mea.gov.in/lok-sabha.htm?dtl/28767/QUESTION\\_NO2763\\_FOREIGN\\_JOBS\\_FOR\\_INDIANS](http://www.mea.gov.in/lok-sabha.htm?dtl/28767/QUESTION_NO2763_FOREIGN_JOBS_FOR_INDIANS) [accessed 22 Nov. 2017].

<sup>24</sup> S.K. Sasikumar and R. Timothy: *From India to the Gulf region: Exploring links between labour markets, skills and the migration cycle* (Nepal, GIZ and ILO, 2015).

<sup>25</sup> See S. Mehrotra et al: "Explaining employment trends in the Indian economy: 1993–94 to 2011–12", in *Economic and Political Weekly* (2014, Vol. 49, No. 32), pp. 49–57; and A. Shaw: "Employment trends in India: An overview of NSSO's 68th round", in *Economic and Political Weekly* (2013, Vol. 48, No. 42), pp. 23–25.

<sup>26</sup> V. Abraham: "Stagnant employment growth: Last three years may have been the worst", in *Economic and Political Weekly* (2017, Vol. 52, No. 38), pp. 13–14.

<sup>27</sup> R. Kapoor: *Waiting for jobs*, ICRIER Working Paper No. 348 (Indian Council for Research on International Economic Relations, 2017), p. 31, [http://icrier.org/pdf/Working\\_Paper\\_348.pdf](http://icrier.org/pdf/Working_Paper_348.pdf) [accessed 19 Feb. 2018].

<sup>28</sup> <https://emigrate.gov.in/ext/preViewPdfGenRptAction.action> [accessed 28 Jan. 2018].

<sup>29</sup> See K.C. Zachariah and S.I. Rajan: "Kerala migration study 2014", in *Economic and Political Weekly* (Volume 51, No. 6, 2016), pp. 66–71.

<sup>30</sup> See, for example, K. Kumar and S. I. Rajan: *Emigration in the 21st century: Governance, legislation and institutions* (New Delhi, Routledge, 2014).

<sup>31</sup> See, for example, S.I. Rajan, T.L.S. Bhaskar and N. Wadhawan: *Predeparture training manual for GCC region and Malaysia* (New Delhi, IOM and MEA, 2017).

<sup>32</sup> <https://emigrate.gov.in/ext/preViewPdfGenRptAction.action> [accessed 28 Jan. 2018].

<sup>33</sup> World Bank and KNOMAD: *Migration and Development Brief* 28, 2017,

<http://www.knomad.org/sites/default/files/2017-12/Migration%20and%20Development%20Report%202012-14-17%20web.pdf> [accessed 19 Feb. 2018].

<sup>34</sup> World Bank and KNOMAD: *Migration and Development Brief* 27, 2017,

<http://pubdocs.worldbank.org/en/992371492706371662/MigrationandDevelopmentBrief27.pdf> [accessed 29 Jan. 2018].