

India Labour Migration Update 2018



International
Labour
Organization

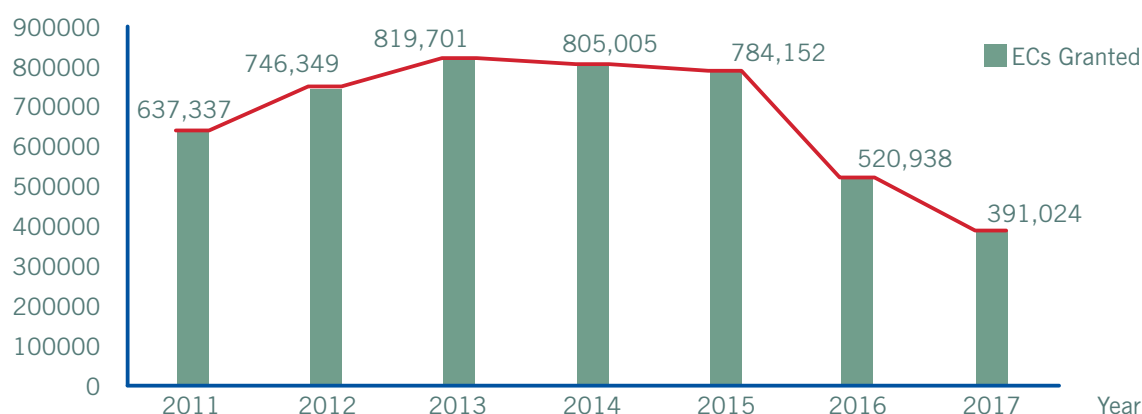
Overview¹

India is a major country of origin and transit,² as well as a popular destination, for workers across international borders.³ 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).⁴ Over 90% of Indian migrant workers, most of whom are low- and semi-skilled workers, work in the Gulf region and South-East Asia.⁵

Analysis of international migration trends in India is inhibited by the limited official data available. Data is available only for workers migrating on Emigration Check Required (ECR) passports⁶ and to one of the 18 ECR countries.⁷ 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.⁸

While exact numbers are not known, several studies⁹ point to the presence of larger outflows of labour migration and the presence of large numbers of undocumented migrants in the GCC region.¹⁰ Workers are also migrating on non-ECR passports and beyond ECR countries, for which data is not available.

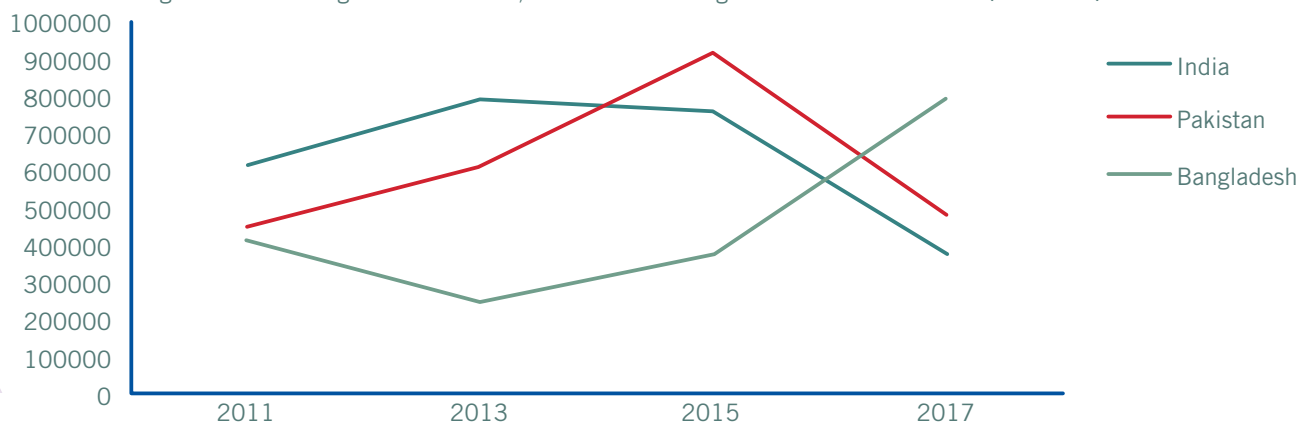
Figure 1: Number of Emigration clearances granted in India (2011–17)



Source: Data released by the Ministry of External Affairs (MEA) 2011–17.¹¹

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.¹²

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.¹³

Figure 2 above shows that the number of emigrants from both India and Pakistan 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 significant increase in their numbers. In absolute numbers, more Bangladeshi and Pakistani workers have migrated to the six GCC countries than Indian workers in the past two years. The rolling out of compulsory employer registration through the E-migrate system¹⁴ and the introduction of high minimum referral wages,¹⁵ have been suggested as disincentives for recruitment from India.

Gender and migration for work

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) 2015, the Indian migrants stock in GCC countries increased from just under 2 million in 1990 to 8.2 million in 2015, with growth prominent among both male and female migrants in all countries (see Table 2 below). Women comprise just less than one-fourth (23.9 per cent) of the total Indian migrant stock in 2015. The male–female proportion in the total Indian migrant stock has remained more or less the same during the past two decades, with the exception of Qatar where the number of women migrants has increased yet their proportion is much lower when compared to their male counterparts. However, administrative data shows declining numbers of women departing with emigration clearance for work to Gulf countries.¹⁶

Table 2: Stock of Indian migrants in select GCC countries, by sex 1990–2015

	1990			Total Migrant Stock	2015			Total Migrant Stock
	Migrant Inflow				Migrant Inflow			
	Male	Female	Total		Male	Female	Total	
Bahrain	46 340	14 165	60 505	173 212	228 273	74 362	302 635	704 137
	76.6	23.4	(34.9)		75.4	24.6	(43)	
Kuwait	257 851	117 332	375 183	1 074 391	748 549	313 209	1 061 758	2 866 136
	68.7	31.3	(34.9)		70.5	29.5	(37)	
Oman	130 597	21 957	152 554	304 000	671 881	105 751	777 632	1 844 978
	85.6	14.4	(50.2)		86.4	13.6	(42.1)	
Qatar	1 998	740	2 738	309 753	556 448	89 129	645 577	1 687 640
	73	27	(0.9)		86.2	13.8	(38.2)	
Saudi Arabia	612 071	294 397	906 468	4 998 445	1 308 558	585 822	1 894 380	10 185 945
	67.5	32.5	(18.6)		69.1	30.9	(18.6)	
UAE	353 659	104 635	458 294	1 306 574	2 710 332	789 005	3 499 337	8 095 126
	77.2	22.8	(35.1)		77.5	22.5	(43.2)	
Total	1 402 516	553 226	1 955 742	8 166 375	6 224 021	1 957 278	8 181 319	25 382 692

Note: (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.

Source: Author's calculations based on UNDESA 2015 data.¹⁷

From August 2016, recruitment through the six state-run recruitment agencies was made mandatory for Indian nurses and domestic workers.¹⁸ 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.¹⁹ Due to the protectionist nature of the policy measures mentioned above, it is possible that women migrants in India may be resorting to irregular channels to migrate, with increased costs and risks.²⁰

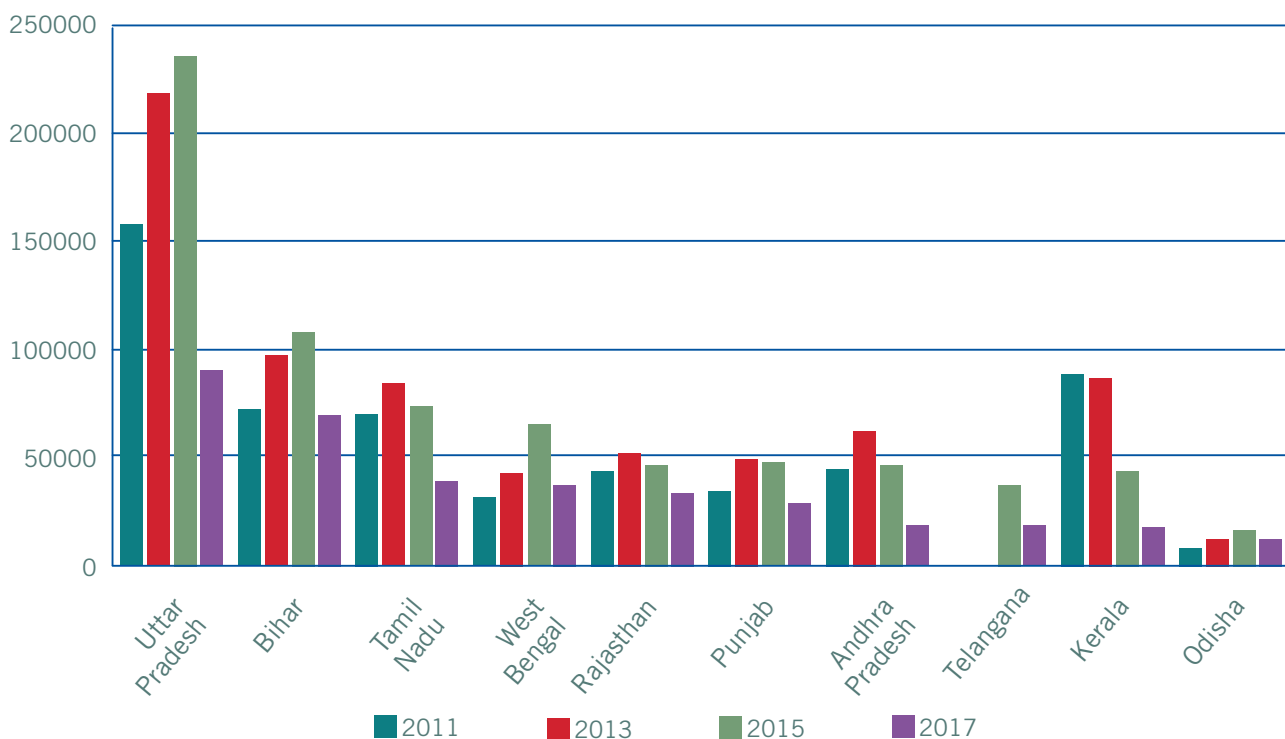
Migration, skills and employment

Despite decades of growth 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.²¹ 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 2017-18,²² the opportunities to find formal employment with decent wages and job security are restricted. An ILO study shows that low-skilled migrant workers are earning approximately 1.5–3 times more in wages in the destination countries (Kuwait, KSA and UAE), even when the wages are compared with the highest rate of minimum wages prevailing among the different Indian states.²³ In such a scenario, emigration for work with a formal contract and better wages are major driving motivations to leave.

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 significant, and foreign employment destinations have acted as a crucial safety valve for the Indian labour market.²⁴ 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 prior to 2011–12, which worsened further from 2013–14 to 2015–16.²⁵ 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.²⁶ Labour bureau statistics too recorded a drop in the number of jobs: from 480 million in 2014 to 467 million in 2016.²⁷

Figure 3: ECR migration from top 10 sending states (2011–2017)



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.

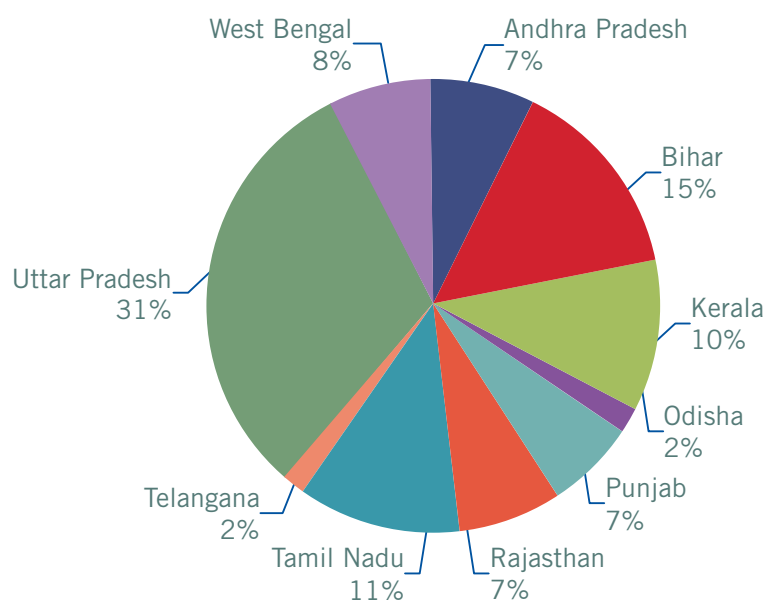
Source: MEA data 2011–2017.²⁸

The decision to emigrate for work is influenced by a number of factors, especially the availability of employment at home, 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. Table 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 non-ECR category.²⁹ 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.³⁰

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.³¹

Figure 4: State-wise emigration clearances granted (2011–16)



Source: MEA data 2011–2016.³²

Migration, remittances and the Indian economy

The contribution of migrant workers, both highly skilled and low-skilled, has led to India becoming the top recipient of remittances in the world, with over US\$ 62.7 billion received in 2016. FDI inflows for the same year in India were at US\$ 46.4 billion, underscoring the importance of remittance flows into the Indian economy. There was a 9% decline in remittances to India in 2016³³, a trend in line with most other countries in Asia. This decline was due to a host of cyclical factors like the global economic slowdown, especially in the GCC countries, Russian Federation and Europe. Further, the weakening of the euro and the pound versus the dollar led to a sharper decline in remittances. Remittances from the GCC make up 52% of remittances received in India³⁴ and hence, the cyclical decline would have been far more pronounced for India in 2016.

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- ¹ The author thanks Seeta Sharma and Max Tunon of ILO for their helpful comments.
- ² 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).
- ³ 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.
- ⁴ 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.
- ⁵ Ibid.
- ⁶ Indian nationals who possess ECR passports have to obtain emigration clearance if they wish to go abroad for work or employment to 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.
- ⁷ 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.
- ⁸ 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.
- ⁹ 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].
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- ¹¹ <https://emigrate.gov.in/ext/preViewPdfGenRptAction.action>, [accessed 22 Jan. 2018].
- ¹² MEA: *Annual report 2016-17* (New Delhi, Government of India, 2017), https://drive.google.com/file/d/0B8qM_niyPuluV1dSYzV2dW45Mmc/view [accessed 20 Nov. 2017].
- ¹³ Data for India: <https://emigrate.gov.in/ext/preViewPdfGenRptAction.action>; data for Pakistan: <http://www.beoe.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.
- ¹⁴ 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].
- ¹⁵ S.K. Sasikumar and S. Sharma: *Minimum referral wages for international migrant workers from India: An assessment* (New Delhi, ILO, 2015).
- ¹⁶ 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.
- ¹⁷ UNDESA 2015 International Migrant Stock (by destination and origin) <http://www.un.org/en/development/desa/population/migration/data/estimates2/estimates15.shtml> [accessed on April 26, 2018]
- ¹⁸ 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 (IOMCOM) of Telangana. These are the states that have sent the highest number of women workers in the past few years.
- ¹⁹ ILO: *No easy exit – Migration bans affecting women from Nepal* (Geneva, 2015), p. ix.
- ²⁰ See <http://apmigration.ilo.org/resources/policy-brief-women2019s-mobility-and-domestic-work>
- ²¹ ILO: *India labour market update* (2016). Based on NSSO Employment-Unemployment Survey (2011-12).
- ²² ILO: *World employment and social outlook 2017* (Geneva, 2017), http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_541211.pdf, [accessed 17 Dec 2017].
- ²³ S.K. Sasikumar, and Seeta Sharma: *Minimum referral wages for international migrant workers from India: An assessment* (New Delhi, ILO, 2016), p. 16.
- ²⁴ 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).
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- ²⁸ <https://emigrate.gov.in/ext/preViewPdfGenRptAction.action> [accessed 28 Jan. 2018].
- ²⁹ 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.
- ³⁰ See, for example, K.Kumar and S.I. Rajan: *Emigration in the 21st century: Governance, legislation and institutions* (New Delhi, Routledge, 2014).
- ³¹ 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). <https://www.nsdindia.org/sites/default/files/files/PDOT-TOT.pdf> [accessed 9 Mar. 2018].
- ³² <https://emigrate.gov.in/ext/preViewPdfGenRptAction.action> [accessed 28 Jan. 2018].
- ³³ 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].
- ³⁴ World Bank and KNOMAD: *Migration and Development Brief 27*, 2017, <http://pubdocs.worldbank.org/en/992371492706371662/MigrationandDevelopmentBrief27.pdf> [accessed 29 Jan. 2018].