

**GULF MIGRATION STUDY:
EMPLOYMENT, WAGES AND
WORKING CONDITIONS
OF KERALA EMIGRANTS IN THE
UNITED ARAB EMIRATES**

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ABSTRACT

This is the fourth in a series of Working Papers published by the CDS on Kerala migration. Unlike the other three, this one is financed by the Kerala Government and the data were collected in UAE.

The objectives of this Working Paper are to:

- document changes in the labour demand for different categories of emigrant workers
- enumerate the emigration policies
- examine employment and working conditions, wage levels and related problems of the Kerala emigrants
- understand the education and training requirements of future emigrants to UAE.

On the basis of official data, the total stock of Indian emigrants in the Arab region in 2000 was estimated to be about 30.7 lakhs. Of them, about 10 lakhs are reported to be in UAE. The total stock of Kerala emigrants in UAE was about 5 lakhs in 2001.

This paper is noteworthy in a number of ways for its contributions to our understanding of Kerala migration to the Gulf countries. It gives the most authentic estimate of the annual remittances to Kerala from the Gulf countries and from other parts of the world. The average annual estimate of the total remittances from all countries of the world is Rs 13,815 crores for the period 1998-2000. Remittances from the Gulf countries alone would be about Rs 12,640 crores.

The paper concludes that changes in the immigration policy of the UAE government, completion of major infrastructure projects and economic recession in the region have reduced substantially the demand for unskilled and semi-skilled labourers in the UAE. The new policies are related to demographic balancing, emiratization, banning visa for

unskilled Asian workers, large-scale mechanisation to make unskilled labour very expensive, etc. The UAE government has also stopped accepting applications for visas for unskilled workers from India, Pakistan and Bangladesh with effect from 18th July 1999. Future demand will be for categories of skilled workers, technicians, computer workers, heavy equipment operators, electrical workers and professional categories such as doctors, nurses, engineers, teachers and accountants. The future emigrants from Kerala should be equipped to meet the changing demand for migrant labour in UAE.

Our survey in UAE among the Kerala emigrants revealed that the largest proportion (36 percent) of workers was engaged in unskilled, semi-skilled and skilled categories in construction, production and transport activities. Nearly one-fifth were in professional and technical work. The other major categories in which Kerala emigrants were employed were clerical, sales and service activities; more than three-fourths of them were employed in regular employment drawing monthly salaries.

The majority of the Kerala emigrants work for more than 8 hours per day; and more than one tenth work for about 10 to 14 hours per day. The major problems faced by several Kerala emigrants in the UAE are non-payment of salaries, denial of wages and non-wage benefits stipulated in their work contracts, refusal to release passport and non-payment of air-ticket fare for return to Kerala. Nearly one-third of the Kerala emigrants live in worker camps and in the majority of cases, the number of persons per room range from four to six. The survey found that 36 percent of the emigrants had a monthly savings of less than 500 Dirhams (Rs 6,000) and another 37 percent a monthly savings of 500 to 1000 Dirhams (Rs 6000 to Rs 12000).

Taking into consideration the changes taking place and envisaged to take place in the labour market conditions and also the changes in the

structure of employment, we find that the following categories would be in demand in the future. Under professional, technical and related workers the categories which would be in demand are engineers; medical and para medical staff such as physicians and surgeons, nurses and laboratory technicians; production executives, managers and supervisors; accountants and auditors; and teachers of all categories. Salesmen, shop assistants and sales representatives would also be in large demand. Under other service categories, the demand would be for hotel workers, housekeepers, stewards, cooks and waiters. Skilled workers demanded would be miners, metal processors, chemical processors, machinists, fitters, precision instrument makers, electricians, plumbers, welders and sheet metal workers, and skilled construction workers, heavy equipment operators and transport equipment operators.

The Working Paper gives a number of recommendations to help the emigrants with their problems associated with migration. The principal recommendations other than the promotion of NRI investments are given below:

Recommendations

- 1) The State Government should encourage and promote shipping services between Cochin and Gulf countries. Shipping services which charge much lower fares than airlines would be of substantial relief to nearly one-half the Kerala emigrants in UAE, who are employed in relatively low level jobs
- 2) The State Government should take steps to curtail the monopoly of Air India in routes connecting Kerala to the Gulf countries. The Government should take steps to introduce foreign airlines to operate from Trivandrum, Cochin and Calicut to the various Gulf destinations. Through this type of competition, the existing air fares could be brought down considerably.

- 3) There is need to review the airfares in routes connecting Indian airports with the major airports of the Gulf countries. The Ministry of Civil Aviation, Government of India may appoint an expert committee to review the pricing policy and fare structure of the air lines in the interests of the emigration of Indians to the Gulf countries.
- 4) There is a strong case for reducing the airport user fees levied in Kerala. We recommend that the user fee levied in international airports at Cochin and Calicut should be reduced to Rs.100 per adult passenger. The fee should be levied from domestic as well as international travellers, excluding only infants from the levy.
- 5) We recommend that the name of emigrants and their dependants who live abroad should be included in the ration cards of the households and in the voters' list of the panchayats or municipalities/Corporations, concerned. In the ration cards and the voters lists, it may be noted against their names that they are currently working abroad.
- 6) We recommend that the state government should direct the universities in Kerala, State Boards of Technical Education, and Public Examinations and other bodies which issue certificates and degrees, to send certificates of verification to the Indian Embassies in the Gulf countries on a priority basis. For each application for verification the above institutions may charge a fee of 100 U A E Dirhams or its equivalent.
- 7) The State Government may formulate a savings scheme and a pension scheme for emigrants with the help of banks, insurance agencies, or mutual funds, based on contributions from emigrants.

JEL Classification: J31, J18, J21, J23

Key words: Kerala, remittances, emigration, United Arab Emirates.

I Introduction

This Working Paper on employment, wages and working conditions of Kerala emigrants in the United Arab Emirates is based on a research project entitled **Gulf Migration Study** (GMS) which is the third in a series of studies on Kerala Migration undertaken by the Centre for Development Studies since 1998. The first one was called Kerala Migration Study (KMS). It was designed to measure migration in Kerala State - external and internal, out-migration and return migration – and analyse migrants' characteristics, determinants and consequences of migration (Zachariah, Mathew and Irudaya Rajan, 1999; 2000). Data for this study were collected from a sample of 10,000 households selected from all districts and taluks of Kerala. Two working papers giving the results of the study have already been published (Zachariah, Mathew and Irudaya Rajan, 1999; 2000) A book on the findings is being published by M/s Orient Longman (Zachariah, Mathew and Irudaya Rajan, 2002).

The second research in this series is called Return Migration Study (RMS). Data for this study were collected from the households, which had an emigrant or return emigrant as ascertained by the Kerala Migration Study. The sample included about 1200 return emigrants

from the selected households. The objective of this study was to understand the extent of occupational mobility among the return emigrants arising from the migration episode and to assess as far as possible the extent to which the state has succeeded in utilising their human resources for its development. The study was also intended to assess the return emigrants' problems while at work in the Gulf countries and in Kerala after return. It also addressed problems of rehabilitation of the return emigrants who are facing problems of re-absorption in the Kerala economy. A Working paper giving the results of the study has been published. (Zachariah, Gopinathan Nair and Irudaya Rajan, 2001). The above two studies are financed by the Indo-Dutch Program on Alternatives in Development through the Indian Council for Social Science Research, New Delhi.

The third study in the series is called Gulf Migration Study (GMS). This study is unique in several aspects. Firstly, this is the first study financed by the Department of Non-Resident Keralite Affairs (NORKA) of the Government of Kerala. Secondly, the data for the study were collected mostly from the UAE. In all existing Kerala migration studies, either by us or by others, data were collected from within the state or from official sources in India. This is the first study of Kerala migration, which collected field data from a Gulf region.

The GMS is different from other studies on Kerala Migration in some other respects also. In the KMS and RMS, data were collected from a strictly representative sample of households from the state. In the present study, however, the sample of emigrants in the Gulf countries was selected at "random" where the word "random" is used in its ordinary sense. There is no guarantee that the sample would be representative of all emigrants from Kerala in the United Arab Emirates. In fact, it can be shown to be not representative. Yet, the analysis of information from

this sample served a useful purpose in understanding some aspects of the problems of the Kerala emigration to the Gulf countries.

This study differs from earlier studies in another respect also. In KMS and RMS, the entire analysis was based on the information provided by the households in the sample. In this case, analysis of the information provided by the migrant respondents formed only a part of the working paper. In fact, the main messages of the paper are based on official data collected from Government offices, social organizations and Banks in India and in the UAE.

Earlier studies on the subject

The Kerala emigration to the West Asia is a topic which has received the attention of economists, sociologists and demographers. A review of the literature on emigration to West Asia shows that most of the studies dealt mainly with the profiles and socio-economic backgrounds of emigration, processes of emigration, economic and social impacts of remittances and issues and problems of return emigrants. The studies conducted during the late 1970's and the early 1980's were mainly micro level studies examining the profiles of migrants, their socio-economic background, causes of migration and the impact of remittances based on village surveys (B.A. Prakash, 1978; E.T. Mathew and P.R Gopinathan Nair, 1978; Raju Kurien, 1979; C. Radhakrishnan and P.Ibrahim, 1981; Agro Economic Research Centre, 1982). Impact of Gulf Migration on society especially the impact of male emigration on women and family is another topic in which a few studies were conducted by sociologists (Leela Gulati, 1983;1987; 1993; T.V.Sekhar, 1997). The economic impact of Gulf Migration on Kerala is a topic, which attracted considerable attention from economists and demographers (P.R. Gopinathan Nair, 1989; Thomas Isaac, 1993; B.A. Prakash, 1998a; 1998b; K.C. Zachariah, E.T. Mathew and S. Irudaya Rajan, 2001).

A hypothesis put forward in one of the studies is that “since the mid 1970’s, the factor which had the greatest impact on Kerala’s economy especially on labour market, consumption, savings, investment, poverty, income distribution and economic growth has been the Gulf migration and migrant remittances” (B.A. Prakash, 1998). A similar conclusion was arrived by another study based on a statewide survey (K.C. Zachariah, E.T. Mathew and S. Irudaya Rajan, 2001). Issues connected with return emigration such as the causes of return, socio-economic background of the returnees, the current activity status of the returnees and the problems faced by them is another area where a number of studies are available (P.R. Gopinathan Nair, 1986; A.C.K Nambiar, 1995; B.A. Prakash, 2000; K.C. Zachariah, P.R. Gopinathan Nair and S. Irudaya Rajan, 2001). Among the studies conducted so far on Kerala emigration, the study of K.C. Zachariah, et.al provides a detailed taluk-wise, district-wise estimation of emigrants and return emigrants and detailed economic and demographic analysis. The study is based on a sample survey of 10,000 households covering all taluks of Kerala (K.C. Zachariah, E.T. Mathew and S. Irudaya Rajan, 1999). Though these studies provide rich information about the issues of emigration from Kerala to the Gulf countries based on primary information collected from migrant households, we do not have much information about the labour market situation and the employment, wages and working conditions of emigrants in the Gulf countries. This is the context in which the current study is undertaken.

Objectives

This study is aimed at four aspects of Kerala emigrants in the United Arab Emirates, (1) changes in the labour demand for different categories of emigrant workers (2) emigration policies (3) employment, wages, working conditions and problems of Kerala emigrants and (4) education and training requirements of future emigrants It also lists

some of the major issues confronting the emigrants in the UAE and our recommendations on how to deal with them.

Sources of data

The data relating to Indian migration to the Gulf countries were collected from the office of the Protector General of Emigration, Ministry of Labour and Ministry of External Affairs (Gulf Division), Government of India. The study team held discussions with Sri. K.C. Singh, Indian Ambassador, U.A.E and Embassy Officials, Officials of the Indian Counsel General, Dubai, Sri. Yousif Gaafar Siraj El Nour, Labour Advisor, Ministry of Labour, Government of U.A.E, Abu Dhabi and officials of the Philippine Embassy, Abudhabi. The lists of officials met and discussed with are given in Annexure I. The study team held detailed discussions with Indian/Keralite Associations in Abu Dhabi, Dubai and Sharjah. The lists of Associations interviewed are given in Annexure II.

In order to study details of employment, wages and working conditions of Kerala emigrants, their living conditions, the facilities and perquisites that they enjoyed, the migration prospects, we have conducted a field survey in UAE covering a sample of 361 Keralite emigrants. The data were collected from a sample of emigrant workers in Abudhabi, Dubai and Sharjah using a structured interview schedule. The samples were selected from all major categories of emigrant workers who live in cities in rental accommodation as well as those who live in worker camps.

Conceptual Framework

According to one classification, the migrants are classified into the following major categories: foreigners admitted for special purposes; settlers; migrant workers; economic migrants; and asylum migrants (R.E. Bilsborrow, et.al 1997). The foreigners admitted for special purposes

are foreign students, foreign trainees and foreign retirees. Settlers are persons who are granted the right to stay indefinitely in the territory of a country other than their own and to enjoy the same social and economic rights as those of the citizens of that country. Migrant workers are persons admitted by a country other than their own for the explicit purpose of carrying out an economic activity. The category of migrant workers includes seasonal migrant workers, project-tied migrant workers, contract migrant workers, temporary migrant workers, established migrant workers and highly skilled migrant workers. The economic migrants cover persons who move internationally in connection with exercise of economic activity i.e., either not remunerated from within the country of destination or demands a certain investment from the migrant concerned. They include business travellers and immigrating investors. The asylum migration covers the whole spectrum of international movements caused by persecution and conflict. They include refugees, persons admitted for humanitarian reasons, asylum seekers, persons granted temporary protected status and persons granted stay of deportation.

According to this classification, the contract workers are defined as persons working in a country other than their own under contractual arrangements that set limits on the period of employment and on the specific job held by the migrant. Once admitted, contract migrant workers are not allowed to change jobs and are expected to leave the country of employment upon completion of their contract, irrespective of whether the work they do continues or not. Although contract renewals are sometimes possible, departure from the country of employment may be mandatory before the contract can be renewed.

The International Labour Organization (ILO) has classified international migration for employment into two major categories, viz. settlement migration and contract migration (ILO, 1989). Settlement

migration is a traditional type of migration in which people migrate from one country to another to secure jobs and settle there. People from underdeveloped economies having higher skills and professional qualifications used to migrate to developed countries to secure better jobs, opportunities, living conditions and to settle there. This type of migration is often associated with the concept of “brain drain”. The volume of movements of this type from developing to developed countries declined during the 1970’s (ILO,1989).

International contract migration occurs when a worker is officially granted permission to enter another country and take up employment in a given job and where a contract is entered into on his behalf or between him and the employer or enterprise for which he is to work. Contract itself takes several forms like individual contract and collective contract. In collective contract a number or a group of foreign workers are being admitted for the purpose of employment under a single authorization or on behalf of a single employer. It has variously been referred to as block visa migration, collective contract migration or project-tied migration. Project-tied migration conjures up a picture of foreigners admitted to a migrant-receiving country for a period of time on the basis of a work contract with an enterprise or employer to carry out in that country specific projects that by their nature are limited in time.

Examining the international migration for employment during the decade 1970’s and early 1980’s, ILO has come to the conclusion that contract migration has outnumbered settlement migration. The treatment of contract migrants in countries of employment has aroused a great deal more concern than the treatment of any other group of migrants. Foreigners admitted for the purpose of employment are rarely viewed as future nationals and are subjected to various forms of discrimination

A number of scholars have reviewed the existing models of international migration (Donald.F.Heisel, 1982; Jeanette Schoorl, 1998; Massey et.al, 1993). From these studies it is evident that there exists no integrated theory of the process of international migration but only a set of partial theories and models developed from different disciplinary viewpoints. While the earlier theoretical models exclusively concentrate on the process of labour migration, the recent ones try to explain why migration continues once it has started. Though several theoretical approaches are followed to discuss settlement migration, none discusses issues connected with contract migration and return migration. In the context of contract migration to West Asian countries, the labour market factors have a crucial role in determining the nature, category and flow of migration as well as of return migration. Wages and working conditions in the labour-importing countries are also determined by labour market factors.

This paper is divided into six sections. In the second section, we present trends in Indian emigration to West Asia. The third section deals with emigration from Kerala and workers' remittances. The changing demand for emigrant labour is given in the fourth section. The survey results on the employment, wages and working conditions in the UAE, of the emigrants from Kerala are presented in the fifth section. The final section summarises the discussions and makes a few recommendations.

II Trends in Indian Emigration to West Asia

We do not have accurate data relating to outflows or return flows of Indian labour and stocks of Indian emigrants in different foreign countries. The basic source of statistics about labour outflows is the data provided by the Protector General of Emigrants (PGE) in the Ministry of Labour of the Government of India. In the absence of well-regulated rules and procedures for recruitment, we find the statistics on emigration

clearance and employment abroad and the annual outflows for the period till 1983, quite unreliable. After the implementation of the Emigration Act 1983, the collection of statistics on migrant flows became more systematic. But the exclusion of a number of categories of emigrants due to exemption given under Emigration Check Not Required (ECNR), has resulted in the partial coverage of the labour outflows. The workers who require emigration clearance are mostly farm workers, but include unskilled, low skilled and semi-skilled categories of workers also. Certain categories of workers not required to obtain emigration clearance for seeking employment are educated, trained and professional personnel; this category falls under Emigration Check Not Required (ECNR). As on March 2000, 17 categories of persons are exempted from emigration clearance (Ministry of Labour, 2000). They include managerial personnel, gazetted government servants, income tax payers, professional degree holders, persons who had stayed abroad for more than three years and professionals such as supervisors and skilled workers. Owing to these reasons, the data on the labour outflows give only a partial account of the emigrants from India.

Based on data of the annual outflows of labour from India between 1984 and 1999, we divide the period into three phases. The first phase covers the period between 1984 and 1991, which witnessed an annual volume of emigration ranging between 1.14 lakh and 2.06 lakh. The second phase is the first half of the 1990s (1992-1997) when the annual outflow of labour was more than 4 lakh. The third phase started since 1998 when a heavy fall began in the annual volume of emigration (Table 1).

Table 1: Number of Workers Granted Emigration Clearance, India

Year	Number of workers (in lakh)	Growth (%)
1984	2.06	-
1985	1.63	-20.87
1986	1.14	-30.06
1987	1.25	9.65
1988	1.70	36.00
1989	1.26	-25.88
1990	1.44	14.29
1991	2.02	40.28
1992	4.17	106.44
1993	4.38	5.04
1994	4.25	-3.06
1995	4.15	-2.41
1996	4.14	-0.24
1997	4.16	0.48
1998	3.55	-14.66
1999*	1.99	-43.94

* upto September

Source: Ministry of Labour, 1996; Ministry of Labour, 2000

The major reasons for the sharp decline in Indian migration since 1998 to the Gulf may be attributed to the drastic changes in the immigration policies of the host countries, aimed at reducing the inflows of foreign workers, the recession in the Gulf economies and the saturation of labour markets of the unskilled and semi-skilled categories. The United Arab Emirates imposed stringent restrictions on migrants especially unskilled and low paid categories in 1996. Following this, Saudi Arabia and Bahrain also imposed stringent restrictions on migrant labour in 1997. These countries began to follow a policy of replacing many

categories of foreign workers with their native workforce. They introduced, what is known as a demographic balance policy, a policy of not allowing foreign workers of any single country to dominate the migrant work force in a given destination country. They began to implement these policies vigorously since 1996.

Destination

The major destinations of Indian migrants to the West Asia during the 1980's were Saudi Arabia, the United Arab Emirates(U.A.E) Oman and Bahrain. Saudi Arabia was the destination of about 43 percent of Indian migrants during 1984. Oman was the destination of nearly 21 percent during that year. By 1990, Saudi Arabia became the destination of the majority of Indian emigrants. The destination of nearly one-fourth of Indian migrants was Oman during the year 1990.

During the 1990's a substantial change was discernible in the directions of flow of emigrants to West Asia. Since 1993 the size of the annual migration flows to countries like Bahrain, Oman, Saudi Arabia and U.A.E declined (Table 2). Among the countries which witnessed significant and steady fall in Indian emigration are Oman and Saudi Arabia. The fall in the annual migration to Saudi Arabia was 51 percent during 1998. On the other hand the annual emigration to U.A.E and Kuwait during the year 1998 increased. A new development was the migration of semi-skilled and skilled workers to Singapore. The number of workers migrated to Singapore was estimated as 21,298 in 1998. The number of workers granted emigration clearance in India during 1990-1998 is given in Table 3.

Table 2: Number of Workers Granted Emigration Clearance By Destination

Country	1990	1991	1992	1993	1994	1995	1996	1997	1998
Bahrain	6782	8630	16458	15622	13806	11235	16647	17944	16997
Kuwait	1077	7044	19782	26981	24324	14439	14580	13170	22462
Oman	34267	22333	40900	29056	25142	22338	30113	29994	20774
Saudi Arabia	79473	130928	265180	269639	265875	256782	214068	214420	105239
U.A.E	11962	15446	60493	77066	75762	79674	112644	110945	134740
Singapore	-	-	-	-	-	-	-	-	21298
Others	10004	13508	13971	19974	20476	30866	26162	29951	33654
Total	143565	197889	416784	438338	425385	415334	414214	416424	355164

Source: Same as for Table 1.

Table 3: Growth Rate of Workers Granted Emigration Clearance By Destination (%)

Country	1990- 1991	1991- 1992	1992- 1993	1993- 1994	1994- 1995	1995- 1996	1996- 1997	1997- 1998
Bahrain	27.25	90.71	-5.08	-11.62	-18.62	48.17	7.79	-5.28
Kuwait	554.03	180.83	36.39	-9.85	-40.64	0.98	-9.67	70.55
Oman	-34.3	83.14	-28.96	-13.47	-11.15	34.81	-0.40	-30.74
Saudi Arabia	64.74	102.54	1.68	-1.40	-3.39	-16.63	0.16	-50.92
U.A.E	29.12	291.64	27.40	-1.69	5.16	41.38	-1.51	21.45
Others	35.03	3.43	42.97	2.51	50.74	-15.24	14.48	12.36
Total	37.84	110.62	5.17	-2.96	-2.36	-0.27	0.53	-14.71

Source: Same as for Table 1.

Saudi Arabia has lost its position as the major destination of Indian workers. By 1998, the share of Saudi Arabia in the annual

emigration flow from India fell to 30 percent from 55 per cent in 1990 (Table 4). Another country which witnessed a sharp fall was Oman, from 24 per cent to 6 per cent. Though the share of U.A.E was small during the early years of the decade, it drastically improved since the mid-1990s. By 1998, U.A.E became the destination of the largest number of Indian migrants in West Asia. During the year 1998, the share of workers to Kuwait witnessed a substantial increase.

Table 4: Percentage of Workers Granted Emigration Clearance by Destination

Country	1990	1991	1992	1993	1994	1995	1996	1997	1998
Bahrain	4.72	4.36	3.95	3.56	3.25	2.70	4.02	4.31	4.9
Kuwait	0.75	3.56	4.75	6.16	5.72	3.48	3.52	3.16	6.32
Oman	23.87	11.29	9.81	6.63	5.91	5.38	7.27	7.20	5.84
Saudi Arabia	55.36	66.16	63.63	61.51	62.50	61.83	51.68	51.49	29.63
U.A.E	8.33	7.81	14.51	17.58	17.81	19.18	27.19	26.64	37.94
Singapore	-	-	-	-	-	-	-	-	6.00
Others	6.97	6.83	3.35	4.56	4.81	7.43	6.32	7.19	9.48
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Same as for Table 1.

The major categories of workers who migrated include unskilled and skilled construction workers and other skilled workers. The skilled construction workers comprised categories such as carpenter, electrician, fitter, foreman, mason, painter, plumber, welder, surveyor and supervisor. The other skilled workers include cook, driver mechanic, machine operator and tailor. The rest included engineers and technicians, paramedical staff and office staff. Nearly 41 percent of the workers who were given emigration clearance during the 1990s were unskilled workers. Skilled construction workers accounted for another 21 percent.

The highly skilled categories such as engineers, technicians, paramedical staff and office staff accounted for only 4 percent.

State-wise Distribution

Statewise break up of the numbers of workers granted emigration clearance is available for the years between 1993 and 1998 (Table 5). There has been continuous decline in the emigration of workers of almost all the states during the period except 1997. Among the workers, Kerala accounts for the largest number of workers. But even in the case of Kerala sizeable decline is observed in the years 1995 and 1998. In 1998, the fall over the previous year was 41 per cent (Table 6). The observed shifts may be due also to changes in the composition and the destinations of emigrant workers from India. During the 1990s, we notice a fall in the category of unskilled and skilled construction workers from Kerala emigrating to the Gulf countries. Emigration figures for Tamil Nadu, the state having the second largest number show that there had been a decline in annual emigration upto 1997. But the state witnessed an increase in emigration during the year 1998. Uttar Pradesh having a sizeable number of emigrants also registered an increase in the number of emigrant workers in 1998. Some of the other states having sizeable emigrants which witnessed an increase in emigration during the year 1998 were Punjab and Delhi. A notable development in 1998 is a very rapid increase in the volume of emigration from Bihar.

Table 5: State-wise Number of Workers Granted Emigration Clearance

State	1993	1994	1995	1996	1997	1998
Andhra Pradesh	35578	34508	30284	29995	38278	30599
Bihar	7518	6785	5867	5816	6369	14569
Gujarat	13742	112802	12182	11991	12792	8528
Goa	1702	157	969	962	1024	945
Haryana	833	745	794	892	929	1692
Karnataka	34380	32266	33496	33761	40396	11535
Kerala	155208	154407	65629	167325	156102	91720
Madhya Pradesh	6542	5815	4248	4141	3897	6429
Maharashtra	35248	32178	26312	25214	25146	24657
Orissa	3528	3612	3685	3441	3511	2079
Punjab	14212	12445	11852	11751	12414	26876
Rajasthan	25243	27418	28374	18221	28242	19824
Tamil Nadu	70313	70525	65737	64991	63672	69793
Uttar Pradesh	25115	22815	18932	18962	17754	33728
West Bengal	2821	2020	2278	2377	2254	3765
Delhi	4342	3816	3281	2892	2494	5535
Others	2013	3071	101414	11482	1150	2890
Total	438338	425385	415334	414214	416424	355164

Source: Same as for Table 1.

Among the states, Kerala ranks first with regard to the share of emigrants (Table 7). But the share fell from 40 per cent in 1996 to 26 per cent in 1998. Tamil Nadu which ranks second experienced a marginal fall in its share during 1996 and 1997; it improved its position in 1998. Andhra Pradesh is also a state which accounts for 7 to 9 percent of the total workers. Some of the other states having sizeable share in total migration are Uttar Pradesh, Punjab, Rajasthan and Bihar.

Table 6: State-wise Annual Growth Rate of Workers Granted Emigration Clearance

(in percentage)

State	1993-1994	1994-1995	1995-1996	1996-1997	1997-1998
Andhra Pradesh	-3.00	-12.24	-0.95	27.61	-20.06
Bihar	-9.75	-13.52	-0.86	9.51	128.75
Gujarat	-6.84	-4.84	-1.57	6.68	-33.33
Goa	-90.77	517.20	-0.72	6.44	-7.71
Haryana	-10.56	6.58	12.34	7.51	82.13
Karnataka	-6.15	3.81	0.79	19.65	-71.44
Kerala	-0.52	-57.50	154.95	-6.71	-41.24
Madhya Pradesh	-11.11	-26.95	-2.52	-5.89	64.97
Maharashtra	-8.71	-18.23	-4.17	-0.27	-1.94
Orissa	2.38	2.02	-6.62	2.03	-40.79
Punjab	-12.43	-4.76	-0.85	5.64	116.50
Rajasthan	8.62	3.49	-35.78	54.10	-29.81
Tamil Nadu	0.30	-6.79	-1.13	-2.03	9.61
Uttar Pradesh	-9.16	-17.02	0.16	-6.37	89.97
West Bengal	-28.40	12.77	4.35	-5.17	67.04
Delhi	-12.11	-14.02	-11.86	-13.76	121.93
Others	52.56	3202.31	-88.68	-89.88	151.30
Total	-2.96	-2.36	-0.27	0.53	-14.71

Source: Same as for Table 1.

Table 7: Statewise Distribution of Workers Granted Emigration Clearance

State	(in percentage)					
	1993	1994	1995	1996	1997	1998
Andhra Pradesh	8.12	8.11	7.29	7.24	9.19	8.62
Bihar	1.72	1.60	1.41	1.40	1.53	4.10
Gujarat	3.14	3.01	2.93	2.89	3.07	2.40
Goa	0.39	0.04	0.23	0.23	0.25	0.27
Haryana	0.19	0.18	0.19	0.22	0.22	0.48
Karnataka	7.84	7.58	8.06	8.15	9.70	3.25
Kerala	35.41	36.30	15.80	40.40	37.49	25.82
Madhya Pradesh	1.49	1.37	1.02	1.00	0.94	1.81
Maharashtra	8.04	7.56	6.34	6.09	6.04	6.94
Orissa	0.80	0.85	0.89	0.83	0.84	0.58
Punjab	3.24	2.93	2.85	2.84	2.98	7.57
Rajasthan	5.76	6.45	6.83	4.40	6.78	5.58
Tamil Nadu	16.04	16.58	15.83	15.69	15.29	19.65
Uttar Pradesh	5.73	5.36	4.56	4.58	4.26	9.50
West Bengal	0.64	0.47	0.55	0.57	0.54	1.06
Delhi	0.99	0.90	0.79	0.70	0.60	1.56
Others	0.46	0.72	24.42	2.77	0.27	0.81
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: Same as for Table 1

Stock of Indians in the West Asia

Information on the stock of Indian emigrants in West Asia is obtained from the estimates made by the Ministry of External Affairs, Government of India. The Ministry defines an emigrant as a person having a valid Indian passport and living in a foreign country. Emigrants include workers, members of their family and persons who reside abroad

for study purposes. According to the Ministry estimates, the total stock of Indian emigrant population in the Arab region was 30.7 lakh in 2000.

Table 8: Stock of Indian Immigrants in the Gulf Region, February 2000

Country	Stock of Indian Immigrants (in lakh)	Percent
Saudi Arabia	12.0	39.09
U.A.E	10.0	32.57
Oman	3.4	11.07
Kuwait	2.8	9.12
Bahrain	1.3	4.23
Qatar	1.2	3.91
Total	30.7	100.0

Source : Gulf Division, Ministry of External Affairs, New Delhi.

Saudi Arabia accounts for the largest share followed by UAE, Oman, Kuwait and Bahrain, in that order. It may be noted that the two countries viz. Saudi Arabia and UAE together account for 72 percent of the total emigrants in the Gulf (Table 8). The numbers reported are based on rough estimates, the reliability of which is unclear. As per the Indian Consul-General, Dubai, as many as 40,000 illegal Indians may leave UAE next month during an amnesty. (Indian Express, March 22, 2002).

III Trends in Emigration from Kerala

Regarding trends and magnitudes of emigration flows from Kerala to West Asian countries during the 1990's the only reliable estimate available is that of K. C. Zachariah, E. T. Mathew and S. Irudaya Rajan (1999). The estimate is based on primary data collected from a sample of ten thousand households covering all taluks of the state. According to the survey, the total number of emigrants in the second half of 1998 was

13.62 lakh (Table 9). In order to study the intensity of emigration and return emigration, emigration rates were worked out for all districts. It was found that Malappuram district had the highest rate followed by Pathanamthitta, Thrissur and Kozhikode (Table 10). It was found that the return emigration rate was very high in districts such as Malappuram, Thrissur, Pathanamthitta and Thiruvananthapuram.

Table 9: Number of Emigrants and Return Emigrants in Kerala, 1998

Districts	Return Emigrants	Emigrants
Thiruvananthapuram	118878	130705
Kollam	74106	102977
Pathanamthitta	54537	97505
Alappuzha	34572	62870
Kottayam	18164	35494
Idukki	5017	7390
Ernakulam	45028	103750
Thrissur	116788	161102
Palakkad	39238	116062
Malappuram	123750	296710
Kozhikode	60910	116026
Wayanad	3327	4552
Kannur	28263	88065
Kasargode	16667	38747
Kerala	739245	1361955

Source : K.C Zachariah, E. T. Mathew and S. Irudaya Rajan 1999

Table 10: Emigration and Return Emigration Rate of Kerala, 1998

Districts	Return emigration rate (Return emigrants per 100 households)	Emigration rate (Emigrants per 100 households)	Total
Thiruvananthapuram	18.1	19.9	38.0
Kollam	13.2	18.4	31.6
Pathanamthitta	18.5	33.1	51.6
Alappuzha	7.2	13.2	20.4
Kottayam	4.6	9.1	13.7
Idukki	2.0	2.9	4.9
Ernakulam	7.4	17.0	24.4
Thrissur	18.6	25.6	44.2
Palakkad	7.4	21.8	29.2
Malappuram	20.5	49.2	69.7
Kozhikode	11.5	22.0	33.5
Wayanad	2.1	2.9	5.0
Kannur	6.1	19.0	25.1
Kasargode	8.2	19.1	27.3
Kerala	11.6	21.4	33.0

Source: K. C. Zachariah, E. T. Mathew and S. Irudaya Rajan (1999)

The study also gives an estimate about the country of destination of Keralite emigrants. A significant finding of the study is that of the total emigrants 38% migrated to Saudi Arabia and 30% to U.A.E. (Table 11) The Study found that of the total return emigrants 67 per cent return from two Gulf countries namely Saudi Arabia and UAE (Table 12) notable finding of the study is that compared to the 1980s and the first half of the 1990s, the volume of return was much higher since in 1996.

Of the total number of return emigrants in Kerala in 1998, 42 per cent returned in 1996, 1997 and in the first half of 1998 (Table 13).

Table 11: Stock of Kerala Immigrants in the Gulf Region, 1998

Country of Destination	Number (in thousand)	Percent
1. Saudi Arabia	519	38.1
2. U.A.E	405	29.7
3. Oman	142	10.4
4. Bahrain	77	5.7
5. Kuwait	69	5.1
6. Qatar	64	4.7
7. U.S.A	30	2.2
8. Others	57	4.2
Total	1363	100.0

Source: K.C. Zachariah, E. T. Mathew and S. Irudaya Rajan (1999)

Table 12: Return Emigrants by Host Country, 1998

Country	Number of return emigrants (in thousand)	Percent
1. Saudi Arabia	301.8	40.83
2. U.A.E	192.4	26.03
3. Kuwait	34.8	4.71
4. Oman	92.3	12.48
5. Qatar	23.2	3.14
6. Bahrain	44.0	5.95
7. Iraq	4.9	0.66
8. South East Asia	7.9	1.07
9. Nepal, Bangladesh	4.9	0.66
10. U.S.A	1.2	0.16
11. Others	31.8	4.30
Total	739.2	100.00

Source: K.C. Zachariah, E. T. Mathew and S. Irudaya Rajan (1999)

Table 13: Year-Wise Return of Emigrants of Kerala, 1998

Year	Number of return emigrants (in thousand)	Percent
Upto 1980	34.1	4.62
1981-1990	162.8	22.03
1991	20.1	2.72
1992	43.3	5.86
1993	35.5	4.79
1994	57.9	7.84
1995	73.1	9.90
1996	106.8	14.44
1997	126.9	17.16
1998	78.9	10.64
Total	739.2	100.00

Source: K. C. Zachariah, E. T. Mathew and S. Irudaya Rajan, 1999.

IV Remittances

In this section we discuss remittances received in Kerala from the U.A.E. No estimate on the total amount of remittances sent by emigrant workers from the U.A.E. is available. In order to make an estimate we have relied on the figures of the U.A.E Exchange Centre, Abudhabi which is the largest centre dealing in currency exchange in the area. There are 108 companies in the U.A.E engaged in foreign exchange dealings and remittances; the share of the U.A.E Exchange Centre comes to about 55 percent of the total volume of business, according to the General Manager of the Exchange Centre.

Total remittances to India

Assuming 55 percent as the share of the U.A.E Exchange Centre, we have estimated the total remittances sent from the U.A.E to India.

According to our estimates, the total volume of remittances from the U.A.E to India increased from Rs.5728 crore in 1998 to Rs. 7187 crore in 2000 (Table 14). These amounts include workers' remittances and the remittances made by Indian firms and business establishments in U.A.E.

Table 14: Remittances from U.A.E to India, 1998-2000

Year	Total Remittances to India (Rs Crore)	Remittances to Kerala (Rs Crore)
1998	5728	3293
1999	6691	3846
2000	7187	4131

Note: (1) Total Remittances to India are estimated on the assumption that the share of U.A.E Exchange centre in total exchange business is 55 percent.

(2) The share of Kerala is assumed to be 57.48 percent of the total remittances to India.

Table 15: Remittances made to States and Union Territories of India Through U.A.E Exchange Centre During May 2001

State / Union Territory	May 2001 (Rs Thousand)	Percent
Andamans	429	0.01
Andhra Pradesh	137961	3.94
Arunachal Pradesh	35	0.00
Assam	411	0.01
Bihar	27741	0.79
Goa	29050	0.83
Gujarat	23998	0.69
Haryana	9284	0.26
Himachal Pradesh	9558	0.27
Jammu & Kashmir	2683	0.08
Karnataka	131033	3.74

Table cont'd.....

State / Union Territory	May 2001 (Rs Thousand)	Percent
Kerala	2012740	57.48
Madhya Pradesh	7974	0.23
Maharashtra	193579	5.53
Meghalaya	219	0.01
Nagaland	2	0.00
New Delhi	30404	0.87
Orissa	5017	0.14
Pondicherry	17751	0.51
Punjab	294237	8.40
Rajasthan	28160	0.80
Tamil Nadu	459481	13.12
Tripura	593	0.02
Uttar Pradesh	59421	1.70
West Bengal	20018	0.57
Total	3501779	100.00

Source: Head office of the U.A.E Exchange Centre, Abudhabi

In order to estimate the flow of remittances from U.A.E to the various states in India, we have relied on the remittance figures of the U.A.E. Exchange Centre for the month of May 2001. It may be noted that this amount includes only remittances made through the U.A.E Exchange Centre, the largest firm in the U.A.E. dealing in currency exchanges. It was found that 57.48% of the remittances was sent to Kerala (Table 15). The other states which received substantial amount of remittances from the UAE are Tamil Nadu, Punjab, Maharashtra, Andhra Pradesh and Karnataka.

Remittances to Kerala

We have estimated the total remittances made to India from the UAE as Rs 7187 crore in 2000. We have also seen that the share of Kerala

in the total remittances sent by UAE Exchange Centre is 57.48%. Assuming 57.48% as the share of Kerala, the total remittances to Kerala from UAE would come to Rs 4131 crore in 2000.

Thiruvananthapuram district received 16 percent of the total remittances to Kerala (Table 16). Thrissur district with 15 percent, Malappuram with 14 percent and Kannur with 10 percent come next in the order. Idukki and Wayanad received only less than 0.5 per cent each.

Table 16: District-wise Remittances Received in Kerala through U.A.E Exchange Centre During May 2001

District	May 2001(Rs thousand)	Percent
Alappuzha	113625	5.52
Kozhikode	109710	5.33
Ernakulam	121129	5.88
Idukki	7674	0.37
Kannur	204425	9.93
Kollam	176249	8.56
Kasargod	78549	3.82
Kottayam	63783	3.10
Malappuram	283189	13.76
Palakkad	93138	4.52
Pathanamthitta	149939	7.28
Trichur	316063	15.35
Thiruvananthapuram	324558	15.77
Mahe (Union Territroy)	8661	0.42
Wayand	7990	0.39

Source: Head Office of the U.A.E Exchange Centre, Abudhabi.

On the basis of the data collected by the Kerala Migration Study (1999), it is possible to estimate the share of remiitances from UAE to

remittances from all countries of the world and remittances from the Gulf countries. Although estimates of total remittances may not be accurate, that of remittances from UAE are likely to be reliable. The degree of underestimation of remittances may be assumed to be the same for all the different sources of remittances. The data from KMS shows that total remittances to Kerala from all countries of the world was 3.677 times the remittances from UAE. Similarly the total remittances from all the Gulf countries was 3.3645 times the remittances from UAE. On this basis the estimates of remittances are obtained (See Annexe IV for more details).

Estimates of Worker's Remittances to Kerala (Rs. Crore)

	UAE Countries	All Gulf in the world	All Countries
1998	3293	11080	12110
1999	3846	12940	14143
2000	4131	13899	15192
1998-2000	3757	12640	13,815

Our best estimate of annual remittances to Kerala during 1998-2000 is Rs. 13815 crore. Of this total 12,640 crores come from Gulf countries.

V Expatriate Labour Market in UAE

Structure of Employment

The United Arab Emirates(U.A.E.), was established on 2nd December 1971 comprising the seven emirates of Abudhabi, Dubai, Sharjah, Ras al-Khaimah, Ajman, Umm al-Qaiwain and Fujairah. Over a relatively short time span of three decades, the U.A.E. has been transformed from a subsistence economy to a highly prosperous modern economy. This transformation was made possible by the utilisation of

its huge export earnings from petroleum products into infrastructure building and promotion of economic activities. U.A.E's proven resources of oil are estimated at around 98.1 billion barrel representing 10 percent of the world's oil reserves. Abudhabi is the biggest oil producer in the U.A.E. accounting for more than 85 percent of its oil output and 90 percent of its crude reserves. The sudden rise in oil prices in the 1970s and the 1980s had resulted in the accumulation of large volumes of foreign exchange. The oil earnings were used largely for large-scale investment in physical and social infrastructure resulting in rapid transformation of the economy. In 1971, the U.A.E had a population of 1.80 lakh in an area of 83,600 square kilometres. There were substantial differences between the individual emirates in terms of size of population and the level of economic development. By 1997, the total population of the U.A.E. was estimated at 26.24 lakh including expatriates (Table.17). Of the seven emirates, Abudhabi accounts for 39 percent, Dubai 29 percent and Sharjah 17 percent. The other four emirates together account for only 15 percent.

Table 17: Population of UAE, 1997

Emirates	Total Population (in thousand)			Percent		
	Male	Female	Total	Male	Female	Total
Abudhabi	705	312	1017	40.17	35.90	38.76
Dubai	528	229	757	30.09	26.35	28.85
Sharjah	278	161	439	15.84	18.53	16.73
Ajman	82	55	137	4.67	6.33	5.22
Ummal - qaiwan	23	16	39	1.31	1.84	1.49
Ras al - khaimah	89	63	152	5.07	7.25	5.79
Fujairah	50	33	83	2.85	3.80	3.16
Total	1755	869	2624	100.00	100.00	100.00

Source: UAE year book, 1998

Table 18: Growth of GDP in UAE, 1994-97

Year	GDP (in Dirham's million)	Growth rate (%)	GDP per capita (Dirham)	Growth Rate (%)
1994	141909	-	62241	-
1995	156902	10.57	65078	4.56
1996	174200	11.02	71306	9.57
1997	176278	1.19	67179	-5.79

Source : UAE Year book, 1998

Though the UAE achieved rapid economic growth during the early 1990s, the economy began to experience a severe recession since 1996. In 1997 the growth rate was only 1.2 percent compared to 11 percent during 1996 (Table 18). This recession is the basic reason for the large-scale decline in employment and the consequent return of large number of expatriates. The sectors which registered a negative growth rate are crude oil production, construction, real estate and business services (Table 19 and 20). The decline in construction, real estate activities and a slump in trade and commerce are continuing.

Table 19: Sector-wise Classification of GDP of UAE (In Million Dirham)

	1996 (in million Dirham)	1997 (in million Dirham)	1996 (%)	1997 (%)
Agriculture, live stock and fishing	5052	5203	2.90	2.95
Mining and quarrying				
A. crude oil	56900	53527	32.66	30.36
B. others	577	600	0.33	0.34
Manufacturing	17975	19708	10.32	11.18
Water and electricity	3467	3660	1.99	2.08
Construction	14491	14000	8.32	7.94

Wholesale/retail trade, maintenance service	17269	18440	9.91	10.46
Restaurants and hotels	2396	2584	1.38	1.47
Transport, storage and communications	11184	11650	6.42	6.61
Financial institutions and insurance	9750	10320	5.60	5.85
Real estate and other business services	16861	16350	9.68	9.28
Social and personal services	2769	2908	1.59	1.65
Others	15509	17328	8.90	9.83
Gross domestic product	174200	176278	100.00	100.00

Source : UAE Year book, 1998

Table 20: Growth Rate of GDP of UAE by Industrial Sectors

	growth rate (Percent) 1996-97
Agriculture, live stock and fishing	2.99
Mining and quarrying	A. crude oil -5.93
	B. others 3.99
Manufacturing	9.64
Water and electricity	5.57
Construction	-3.39
Wholesale/retail trade, maintenance service	6.78
Restaurants and hotels	7.85
Transport, storage and communications	4.17
Financial institutions and insurance	5.85
Real estate and other business services	-3.03
Social and personal services	5.02
Others	11.73
Gross domestic product	1.19

Source : UAE Year book, 199

The structure of employment in the U.A.E is characterised by an extremely large sector of tertiary activities such as trade, restaurants and hotels, transport and communications, finance, real estate business,

personal services and government services. The tertiary sector accounted for 58 percent of the total employment in 1998 (Table. 21).

Table 21: Structure of Employment in UAE

Category	1998 (Number)	Percent	
Agriculture, live stock and fishing	101800	7.38	
Mining and quarrying	A. crude oil	21900	1.59
	B. others	3700	0.27
I. Sub Total: Primary	127400	9.24	
Manufacturing	173800	12.61	
Water and electricity	23935	1.74	
Construction	255800	18.56	
II. Sub Total: Secondary	453535	32.91	
Wholesale/retail trade, maintenance service	234700	17.02	
Restaurants and hotels	52850	3.83	
Transport, storage and communications	98710	7.16	
Financial institutions and insurance	20866	1.51	
Real estate and other business services	35440	2.57	
Social and personal services	63450	4.60	
Government services	153659	11.15	
Domestic services of households	137880	10.00	
III. Sub Total: Tertiary	797555	57.84	
Total	1378490	100.00	

Source : UAE Year book, 1998

The secondary sector comprising manufacturing, water supply, electricity and construction accounted for another 33 percent. The primary sector comprising agriculture, livestock, forestry, fishing and mining, employed only 9 percent of the work force. In the U.A.E the activities which provide the largest employment are construction, followed by trade and government services. Almost all unskilled construction workers and those working as household workers are

expatriates. It is estimated that of the total workers, the U.A.E nationals accounted for only 9.2 percent in 1995. The annual growth rate of employment is given in Table 22.

Table 22: Annual Growth Rate of Employment in UAE (%)

Category	1994-95	1995-96	1996-97	1997-98
Agriculture, live stock and fishing	11.19	5.50	4.21	2.31
Mining and quarrying				
A. crude oil	2.54	4.00	5.00	6.60
B. others	10.66	4.49	6.11	3.99
Manufacturing	4.21	3.04	5.38	2.40
Water and electricity	5.00	4.46	5.44	3.87
Construction	7.71	4.41	3.48	2.07
Wholesale/retail trade, maintenance service	7.92	2.56	7.09	3.05
Restaurants and hotels	10.54	5.69	5.70	6.00
Transport, storage and communications	9.07	1.38	0.94	3.04
Financial institutions and insurance	3.17	3.59	2.00	7.14
Real estate and business services	8.78	8.68	2.49	6.47
Social and personal services	6.51	2.47	4.22	4.27
Government services	3.37	3.37	2.53	6.69
Domestic services of households	1.44	0.32	5.11	4.86
Total	6.31	3.20	4.38	3.68

Source: UAE Year Book, 1998

Expatriate Population in U.A.E.

Accurate data are not available about the total number of foreigners in the U.A.E. According to a census conducted in 1968 by the British, the U.A.E had a population of about 1.80 lakh of which 63.5 percent

were enumerated as nationals belonging to the seven emirates. It is estimated by the U.A.E government that the percentage of nationals declined to 25 percent by 1995 (Table.23). The expatriates include the workers and their dependants which account for a sizeable proportion. The total number of expatriates was estimated as 17.7 lakh constituting 75 percent of the total population of U.A.E. Of them the total expatriate workers is estimated as 13.91 lakh in 1995 (Table 24).

Table 23: Population of UAE Nationals and Expatriates, Selected Years

Year	UAE Nationals (Percent)	Expatriates (percent)
1968	63.5	36.5
1975	30.0	70.0
1995	25.1	74.9
1997	25.0	75.0

Source : UAE Year Book, 1998

Table 24: Total Population in UAE in 1995.

	Number (in thousand)			Percent		
	Male	Female	Total	Male	Female	Total
1. Nationals	303	293	596	19.20	36.86	25.12
2. Expatriates	1082	309	1391	68.57	38.87	58.62
3. Dependent expatriates	193	193	386	12.23	24.28	16.27
4. Total expatriates (2+3)	1275	502	1777	80.80	63.14	74.88
5. Total population	1578	795	2373	100.00	100.00	100.00

Source: Estimates of the UAE Ministry of Interior

The country-wise data of expatriate workers suggest that Asian countries accounted for the largest share of emigrant workers in 1995. The total number of workers from the Asian countries was estimated as 11.86 lakh accounting for 85 percent of the total emigrant workers of the U.A.E (Table.25). The total number of workers from other Arab countries was estimated as 1.75 lakh or about 13 percent. The shares of European, American and African workers were quite small.

The emigrants from the Arab region belonged to Egypt, Syria, Jordan, Palestine, Lebanon, Sudan, Yemen and Somalia. Among the Arab countries Egypt accounted for the largest share of emigrant workers in the U.A.E followed by Syria, Jordan, Lebanon and Sudan (Table.26).

Table 25: Emigrant Workers in UAE in 1995

	Number (in thousand)			Percent		
	Male	Female	Total	Male	Female	Total
1. Asian countries	923	263	1186	85.30	85.11	85.26
2. Arab countries	136	39	175	12.57	12.62	12.58
3. European countries	16	5	21	1.48	1.62	1.51
4. American countries	4	1	5	0.37	0.32	0.36
5. African countries	2	1	3	0.18	0.32	0.21
6. Others	1	-	1	0.09	-	0.07
Total	1082	309	1391	100.00	100.00	100.00

Source: same as for table 24

The migrants from the Asian countries are mainly from India, Pakistan, Bangladesh, Sri Lanka, Philippines and Iran. The total number of Indian emigrant workers is estimated as 5.85 lakh accounting for 42 percent of the total emigrant workers in the U.A.E (Table. 27). Of the Indian workers 1.22 lakh are female workers. Emigrant workers of Pakistan came to 2.93 lakh constituting 21 percent of the total emigrant workers in the U.A.E. Sri Lanka, Philippines and Iran are the other Asian nations having sizeable number of emigrants in the U.A.E.

The Indian emigrant population in the U.A.E consists of workers and their dependants. The total Indian population is estimated as 7.29 lakh in 1995 (Table.28). The dependant population comprising wives, children and parents was estimated as 1.44 lakh. The dependants account for 20 percent of the total number of Indian emigrants.

Table 26: Arab Emigrant Workers in UAE, 1995

	Number (in thousand)			Percent		
	Male	Female	Total	Male	Female	Total
Egypt	41	12	53	3.79	3.88	3.81
Syria	22	6	28	2.03	1.94	2.01
Jordan	15	4	19	1.39	1.29	1.36
Palestine	12	3	15	1.11	0.97	1.08
Lebanon	13	4	17	1.20	1.29	1.22
Sudan	13	4	17	1.20	1.29	1.22
Yemen	9	3	12	0.83	0.97	0.86
Somalia	4	1	5	0.37	0.32	0.36
Other Arab countries	7	2	9	0.65	0.65	0.65
Total	136	39	175	12.56	12.62	12.58

Source: Same as for table 24

Table 27: Asian Emigrant Workers in UAE , 1995

	Number (in thousand)			Percent		
	Male	Female	Total	Male	Female	Total
1. India	463	122	585	42.79	39.48	42.05
2. Pakistan	232	61	293	21.44	19.74	21.06
3. Bangladesh	83	22	105	7.67	7.12	7.55
4. Sri Lanka	64	23	87	5.91	7.44	6.25
5. Philippines	45	25	70	4.16	8.09	5.03
6. Iran	28	7	35	2.59	2.26	2.52
7. Other Asian Countries	8	3	11	0.74	0.97	0.79
Total	923	263	1186	85.30	85.11	85.26

Source: Same as for Table 24

Table 28: Indian Emigrants in UAE, 1995

	Number (in thousand)			Percent		
	Male	Female	Total	Male	Female	Total
Workers	463	122	585	86.54	62.89	80.25
Dependants	72	72	144	13.45	37.11	19.75
Total	535	194	729	100.00	100.00	100.00

Source: Same as for Table 24

Total Stock of Keralites in UAE in 2001

The information that we collected from the Indian Embassy, Abu Dhabi and Indian emigrant associations in Abu Dhabi, Dubai and Sharjha, suggests that the total stock of Indian emigrants in UAE during 2001 was about 10 lakh persons. The Indian Embassy and Indian emigrants associations are of the opinion that the share of Keralities in the total stock of Indians was about 50%. Thus the total stock of Keralities in UAE was about 5 lakhs in 2001.

VI. Immigration Policy in the UAE

(a) Demographic imbalance

In the U.A.E the central criterion on which the entire immigration, labour and economic policies are formulated is based on the demographic imbalance theory. The U.A.E government, the Federal National Council(FNC) and the U.A.E nationals feel that owing to the large and increasing proportion of expatriate workers, the role and importance of the U.A.E nationals are getting marginalised in the economy and society; creating a very dangerous situation. A report presented in FNC in June 2001 pointed out that the Indian expatriates account for 33.5 percent of the total population of U.A.E. Around 50 percent of the population comprises people from one single geographical region, the Indian

subcontinent comprising India, Pakistan and Bangladesh. It is reported that foreigners account for about 60% of the public sector workforce in U.A.E. A recent study on workforce found that construction and services employ the majority of workers. Of them two-thirds do not have secondary education. Eighty percent of the applications for work permits received in the Ministry of Labour and Social Affairs were for unskilled and cheap manpower. The influx of foreign labour was obliterating the Arab character of the region; in fact some areas in the U.A.E. resembled parts of India or Pakistan. The general feeling is that the U.A.E is in danger of losing its identity because most of the important activities are in the hands of foreigners. The core of the immigration policy has, therefore, been to set right the demographic imbalance through appropriate policy measures.

The Ministry of Labour and Social Affairs of the U.A.E government has prepared a document called **Labour 2000 Report** containing the immigration policy approach. The report specifies three major problems. Demographic imbalance, increasing number of foreign workers, and dependants of unskilled workers, mainly Asians. The policy suggestions put forward were, reduction of the demographic imbalance, controlling of the inflow of unskilled labourers, imparting of training to the existing workforce to cope with developments of modern technology and coercing of private establishments to invest in modern technology. The Ministry also intended to introduce several measures to make the recruitment of unskilled expatriate manpower costlier. It envisages a work environment that depends on skilled manpower and advancing technology, an environment free of marginal and menial workers. It is also decided to fix the minimum qualification even for unskilled workers, as high school certificate. The major policy measures implemented in recent years to curtail migration are the following.

(b) Ban on Visas for Unskilled Workers

The Ministry of Labour of the U.A.E government stopped accepting applications for visas for unskilled workers with effect from July 18th 1999. It was pointed out that the move to stop accepting visa applications from Asian countries for unskilled jobs was in line with the Ministry's efforts to rectify the demographic imbalance in the labour force. The U.A.E government has not lifted the ban imposed on unskilled Indian workers till now. Besides, strict action was initiated against illegal and unskilled expatriates already in the U.A.E. Owing to this measure thousands of illegal immigrants are being sent back home.

(c) Move to make unskilled labour expensive

In order to curtail the number of unskilled labourers, the U.A.E government has introduced several measures to make recruitment of unskilled labour costly. The objective is to force private establishments to invest in modern technology. It is pointed out that as long as unskilled manpower was available at low wages, the private sector would not go for modern technology. Therefore, the policy is to make the private sector experience a scarcity of unskilled labour so that it would be forced to invest in labour-saving and productivity-augmenting modern technology.

(d) Emiratisation

The objective of Emiratisation is to give priority to the natives of the U.A.E. in job placements and to reduce unemployment among U.A.E nationals. With this objective, the U.A.E government has already started measures to replace foreign labour with nationals in the public sector. Some of the important public sector undertakings have already taken measures to emiratise their workforce. The Emirates Telecommunication Corporation (ETISLALAT) has undertaken a policy of emiratising half

its workforce by the end of 2000. Programmes have been designed to encourage nationals to take-up top administrative and technical jobs. As part of this effort, students are being sent to European countries for higher studies. The Ministry of Labour has also intensified its efforts to convince the private sector the need for giving preference to nationals in job placements. The U.A.E nationals working in private sector companies are ensured of the same social security benefits as are available to workers in the government sector companies. The new National Pension and Social Security Scheme provides for retirement benefits, disability benefits and compensation for death for the nationals working in the public sector. Currently the U.A.E government is considering a proposal for stopping issuance of employment visas for professional places that could be filled by U.A.E nationals. In line with the emiratization drive the Ministry of Labour and Social Affairs would pursue the policy of gradual replacement of foreign workforce with nationals.

(e) 60-year age ceiling for renewal of labour card

The U.A.E government has decided not to renew the labour cards of private sector employees above the age of 60 with effect from 30th May 1999. However certain categories of professionals are exempted from the ban. They include doctors, engineers, consultants, legal advisers, economists, financial experts, teachers at all levels, auditors and accountants, translators, computer workers, laboratory technicians, delicate equipment maintenance technicians, sportsmen and professional coaches, and all other rare specialists.

Other factors

We may also examine the other factors which contribute to changes in the demand for migrant labour in the U.A.E. The important factors are the following

(i) The major infrastructure projects requiring large numbers of unskilled, semi-skilled and skilled construction workers have been almost completed. In another two years almost the entire infrastructure work will be over. There is, therefore, a possibility for large scale decline in the demand for unskilled, semi-skilled and skilled categories of construction workers.

(ii) The U.A.E has been witnessing a decline in business, trade and other economic activities during the past three years. A liquidity crisis is also experienced by the U.A.E., the government departments finding it difficult to honour payment obligations relating to major infrastructure and housing projects. Large numbers of business collapses are reported. There is less demand for buildings, flats and commercial complexes due to the ongoing economic recession.

(iii) Dubai, the biggest commercial city in the U.A.E, lost its importance as an intermediary station for re-export of many commodities. Now Dubai is given importance more as a place of exhibitions and conferences and as a tourism destination.

(iv) U.A.E is vigorously following a policy of privatisation of public utilities such as water, electricity and other public goods. This has resulted in a shift of the concerned units from the public to the private sector. Workers who used to receive wage and non-wage benefits at par with the workers in government departments now get much lower wage and non-wage benefits.

(v) The Ministry of Labour has introduced a new measure by which each employer seeking a new visa for work will have to deposit 3000 Dirham in the Ministry. The intention is to make it possible for the Ministry to pay salary and other dues in case the employers concerned fail to make the payments. This measure has acted as a disincentive to the issue of fresh visas.

From the preceding analysis we may make the following observations. The U.A.E economy has been witnessing a rapid structural change; large employment opportunities are generated in tertiary sector activities such as trade and commerce, transport and communications, government services and social and personal services. Owing to the immigration policy of rectifying demographic imbalance, controlling the inflow of unskilled labourers and training of the existing workforce to cope with modern technology, the future requirement of manpower will be confined to skilled categories. Policies such as emiratisation, banning of visas for unskilled Asian workers and making employment of unskilled labour expensive, are likely to result in the decline of demand for workers of unskilled and semi skilled categories. The completion of major infrastructure projects, recession in business and trade, privatisation policies and other restrictions imposed on visa issues would also reduce the demand for such categories. In future, the manpower demand in the U.A.E would be for categories such as doctors, pharmacists, nurses, engineers-consultants, legal advisers, economists, financial experts, teachers at all levels, auditors and accountants, translators, computer workers, laboratory technicians, delicate equipment maintenance technicians, sportsmen and professional coaches, and rare specialists of all other categories.

VII. Employment, Wages and Working Conditions: Results of a Field Survey in the UAE

Profile of Emigrants

The distribution of the 361 sample emigrants on the basis of place of birth revealed that they came from all the districts of Kerala. The emigrants belonging to Malappuram district constituted the largest share. The emigrants from the districts of Thiruvananthapuram, Kollam, Alappuzha, Thrissur, Malappuram and Kannur together accounted for 70 of the total sample.

Nearly two-fifths had passed the secondary school and about 30 per cent were graduates. The proportion which had education of less than the secondary level formed another 30 per cent (Table 29).

Table 29: Educational Level of Sample Emigrants

Educational Level	Percent
Below Primary	1.4
Primary	7.1
Below Secondary	20.3
Secondary	40.7
Degree	29.4
Postgraduation	1.1
Total	100.0

Source: Field Survey conducted at United Arab Emirates, 2001.

Around four-fifths of the sample reported that they were in a foreign land for work for the first time in their lives. For another 16 percent, it was the second time; they had worked once earlier in the U.A.E. itself or in another Gulf country. There were a few emigrants (less than 3 per cent) who had two earlier emigration episodes (Table 30).

Table 30: Migration Experience of Sample Emigrants

Number of migration	Percent
First	79.9
Second	15.8
Third	2.4
Others	1.8
Total	100.0

Source: Field Survey conducted at United Arab Emirates, 2001.

In order to understand the trends in emigration, we collected information about the year of arrival of the sample emigrants in the U.A.E. It is found that 23 percent arrived during the 1980s and another 20 percent during the first half of the 1990s (Table 31). A recent trend in emigration observed is the continuous decline in the numbers since 1998. The sharp fall experienced during 2000 and the first half of 2001 could be attributed to the ban on issuance of visa imposed for unskilled and low skilled categories of Indian workers. The categories of workers who emigrated during the second half of the 1990s were technicians, accountants, auditors, executives, managers, salesmen, shop assistants, house keepers, electrical workers, plumbers, welders, sheet metal workers, construction workers and transport equipment operators.

Table 31: Year of Arrival in U.A.E. of the Sample Emigrants

Year of Arrival in U.A.E	Percent
Before 1981	19.3
1981-85	10.5
1986-90	12.0
1991-95	20.4
1996	4.8
1997	8.3
1998	10.5
1999	8.3
2000	4.3
2001*	1.4
Total	100.0

* upto June

Source: Field Survey conducted at United Arab Emirates, 2001.

Employment

We have classified the employment status of the sample emigrants using the National Classification of Occupations. It was found that

nearly one-fifth were employed in professional and technical categories; about 6 per cent were in administrative, executive and managerial categories; 15 percent were clerical and related workers, 13 percent were sales workers, less than one-tenth were service workers and more than one-third were production related workers, transport equipment operators and related workers (Table 32). The category of production related workers in the sample included electricians, electronic equipment operators, plumbers, welders, sheet metal workers, metal workers and construction workers.

Table 32: Occupational Distribution of Sample Emigrants

Category	Percent
Professional/Technical and Related Workers	20.78
Administrative, Executive and Managerial Workers	5.72
Clerical and Related Workers	14.76
Sales	13.25
Service	9.04
Farmers, Fishermen and Related Workers	0.60
Production and Related Workers, Transport Equipment Operators and Related Workers	35.84
Total	100.00

Source: Field Survey conducted at United Arab Emirates, 2001.

The sample emigrants are classified into four categories: regular long term employees with monthly salary/wage; regular employees with daily or piece wages; casual workers and the self-employed. It is found that more than three-fourths of the sample workers were employed with monthly salary/wage (Table 33). Another 15 percent worked were regular employees, but were paid wages on a daily basis or under the piece wage system. On the other hand, the share of casual workers on piece wages and self-employed persons were quite small. In the case of professional,

technical, administrative, executive and managerial workers, more than 92 percent were employed as regular long-term employees on a monthly salary basis. In other categories such as clerical and related workers, sales workers, service workers, production workers, transport equipment operators and related workers, more than three-fourths were also employed as regular, long term salaried employees with a monthly wage. The proportions of workers in regular employment but paid daily or piece wages were small and belonged mostly to the categories of production and related workers, transport equipment operators and construction workers.

Table 33: Occupational Distribution of Sample Emigrants by Nature of Job

(in percentage)

Category	Regular long term employee with a monthly wage	Regular employee with a daily or piece wage	Self employed	Others	Total
Professional, Technical and Related Workers	91.8	-	3.3	4.9	100.0
Administrative, Executive and Managerial Workers	94.4	-	-	5.6	100.0
Clerical and Related Workers	85.0	2.5	2.5	10.0	100.0
Sales Workers	76.3	10.5	10.5	2.6	100.0
Service Workers	80.77	11.54	3.85	3.85	100.0
Farmers, Fishermen, Hunters and Related Workers	100.0	-	-	-	100.0
Production and Related Workers, Transport Equipment Operators, and Related Workers	63.06	32.43	-	4.5	100.0
Total	77.36	14.86	2.70	5.07	100.0

Source: Field Survey conducted at United Arab Emirates, 2001.

Table 34: Occupational Distribution of Sample Emigrants by Category of Employer

Occupation	Category of Employer					Total
	Government/ Public sector	Private Non- U.A.E Employer	Private U.A.E Employer	Private Keralite/ Indian Employer	Others	
Professional/Technical and Related Workers	27.94	20.59	26.47	23.53	1.47	100.0
Administrative, Executive and Managerial Workers	10.53	42.10	21.05	21.05	5.26	100.0
Clerical and Related Workers	38.78	20.41	14.29	14.29	12.24	100.0
Sales Workers	9.30	9.30	23.26	37.21	20.93	100.0
Service Workers	13.33	26.67	26.67	20.0	13.33	100.0
Farmers, Fishermen, Hunters and Related Workers	50.0	-	50.0	-	-	100.0
Production and Related, Transport Equipment Operators and Related Workers	14.29	22.69	19.33	40.34	3.36	100.0
Total	20.0	21.51	21.51	29.39	7.58	100.0

Source: Field Survey conducted at United Arab Emirates, 2001.

It is found that one-fifth of the workers are employed in government or public sector institutions (Table 34). Another one-fifth each were employed in establishments owned by non-U.A.E. employers and U.A.E. nationals. A significant finding is that 29 percent of the sample emigrants were employed in establishments owned by Keralite or Indian entrepreneurs. These establishments provided employment mainly to professional and technical workers, sales workers, production and related workers and transport equipment operators and related workers.

Table 35: Occupational Distribution of Sample Emigrants by Nature of Workplace

(in percentage)

Occupation	Place of Work								Total
	Office	Shop	House	Factory	Work-shop	Construction site	Open space	Others	
Professional/Technical and Related Workers	63.77	1.45	-	1.45	-	11.59	2.90	18.84	100.0
Administrative, Executive and Managerial Workers	73.68	5.26	-	-	-	5.26	10.53	5.26	100.0
Clerical and Related Workers	73.47	4.08	-	-	-	2.04	2.04	18.37	100.0
Sales Workers	32.56	32.56	-	2.33	2.33	2.33	9.30	18.60	100.0
Service Workers	43.33	26.67	6.67	-	-	3.33	-	20.0	100.0
Farmers, Fishermen, Hunters and Related Workers	50.0	-	-	-	-	-	-	50.0	100.0
Production and Related Workers; Transport Equipment Operators, and Related Workers	5.93	2.54	2.54	2.54	33.05	38.14	4.24	11.02	100.0
Total	39.09	8.79	1.52	1.52	12.12	17.27	4.24	15.45	100.0

Source: Field Survey conducted at United Arab Emirates, 2001.

The places of work of the sample emigrants included offices, shops, houses, factories, workshops, construction sites, and open fields. It was found that of the total sample, about two-fifths were employed in office-related jobs (Table 35). Another 17 percent worked in construction sites. About 14 percent were employed in workshops and factories mostly as production workers, transport equipment operators and related workers. Less than one-tenth were engaged in shops and commercial establishments. Workers who had to toil in open spaces were those related to construction, and transportation activities; this category accounted for 4 percent. Our sample had only less than 2 per cent in the category of domestic (household) servants.

Education and Employment

Table 36 shows the occupational classification of the sample emigrants by educational level. Persons with educational levels of less than secondary school are found to be working in construction, production, transport and related activities and in other service sector occupations. On the other hand those who have passed secondary school or possess higher educational qualifications are found to be employed in professional, technical, administrative, executive, clerical and sales-related work. It may be noted that only a small proportion of the persons having degrees worked as production and related workers, or as transport equipment operators.

Persons who had passed the secondary school or acquired higher educational qualifications were found to be in better employment and drawing monthly salaries (Table 37). Only very few graduates were found working as daily wage or piece wage earners. Thus we observe a positive correlation between levels of education and quality of jobs.

Table 36: Occupational Distribution of Sample Emigrants by Levels of Education

(in percentage)

Occupation	Below primary	Below Secondary	Secondary	Degree and Post Graduate	Total
Professional/Technical and Related Workers	-	2.86	24.29	72.86	100.0
Administrative, Executive and Managerial Workers	-	11.76	52.94	35.29	100.0
Clerical and Related Workers	4.08	14.29	30.61	51.02	100.0
Sales Workers	11.11	20.0	35.56	33.33	100.0
Service Workers	24.14	37.93	27.59	10.34	100.0
Farmers, Fishermen, Hunters and Related Workers	-	100.0	-	-	100.0
Production and Related Workers, Transport Equipment Operators and Related Workers	10.34	31.03	56.03	2.59	100.0
Total	7.93	21.04	36.93	31.40	100.0

Source: Field Survey conducted at United Arab Emirates, 2001.

Table 37: Distribution of Sample Emigrants by Nature of job According to Educational Level

(in percentage)

Nature of Job	Below primary	Below Secondary	Secondary	Degree & above	Total
Regular long term employee with monthly salary/wage	7.95	21.34	36.40	34.31	100.0
Regular employee with a daily wage/piece-wage	6.38	10.64	76.60	6.38	100.0
Casual worker under Piece Wage	-	33.33	33.33	33.33	100.0
Self-employed	12.50	37.50	-	50.0	100.0
Others	18.75	31.25	18.75	31.25	100.0
Total	8.31	20.77	40.58	30.35	100.0

Source: Field Survey conducted at United Arab Emirates, 2001.

It is found that persons with secondary and higher levels of education were employed in government, other public sector institutions, enterprises run by non-U.A.E. investors, and firms owned by U.A.E nationals, and Indians (including Keralites) to a larger extent than persons with lower educational qualifications (Table 38). It is revealed that only a small proportion of workers having education below secondary school work in government, other public sector units and establishments owned by non-U.A.E. entrepreneurs from the West as well as Indians (including Keralites).

Table 38: Distribution of Sample Emigrants by Educational Level According to Category of Employer

Category	(in percentage)				
	Below primary	Below Secondary	Secondary	Degree	Total
Government/Public Sector	10.0	17.14	42.43	31.43	100.0
Foreign Establishment	10.67	26.67	36.0	26.67	100.0
U.A.E National	1.33	28.0	36.0	34.67	100.0
Establishment of Keralite or Indian	5.88	16.67	50.0	27.45	100.0
Others	25.0	4.17	29.17	41.67	100.0
Total	8.09	20.52	40.75	30.64	100.0

Source: Field Survey conducted at United Arab Emirates, 2001.

Wages

Almost all enterprises and public offices work six days per week. Friday is the official holiday for all establishments in U.A.E. It is found that the average working day for our sample emigrants ranged from 8 to 14 hours (Table 39). Half the sample worked, on an average, 8 hours per day. Two-fifths worked 8 to 11 hours. There were more than one-tenth who worked, on an average, between 10 to 13 hours. In the case of sales, production related works, transport equipment operating and related

items of work, especially in construction -related activities, the majority work more than 8 hours. On the other hand, persons employed in professional, technical, administrative, executive and managerial and clerical jobs work only 8 hours per day.

The monthly earnings of workers ranged from less than 500 Dirhams to more than 5000 Dirhams. Of the total sample, 48 percent received monthly remuneration of less than 1500 Dirhams (Table 40). A notable finding is that 9 percent of the emigrants are getting a monthly wage of more than 5000 Dirhams. Those who are getting more than 5000 Dirhams are persons belonging to professional, technical, administrative, executive, clerical and sales categories. On the other hand, those who are getting a wage rate below 1000 Dirhams are engaged in sales, service and activities connected with production, construction and transport. A detailed break up of the monthly wage earned in Dirhams and its equivalent Indian rupee is given in Table 40.

Table. 39: Occupational Distribution of Sample Emigrants by Working Hours Per Day

Occupation	Average Working Hours Per Day				Total
	8	8-10	10-12	13+	
Professional/Technical and Related Workers	67.65	27.94	4.41	-	100.0
Administrative, Executive and Managerial Workers	61.11	38.89	-	-	100.0
Clerical and Related Workers	63.27	28.57	6.12	2.04	100.0
Sales Workers	34.09	38.64	18.18	9.09	100.0
Service Workers	44.83	20.69	20.69	13.79	100.0
Farmers, Fishermen, Hunters and Related Workers	50.0	50.0	-	-	100.0
Production and Related Workers, Transport Equipment Operators, and Related Workers	39.50	52.94	5.04	2.52	100.00
Total	49.85	38.86	7.90	3.65	100.0

Source: Field Survey conducted at United Arab Emirates, 2001.

Discussions with the sample emigrants suggest that payment of salaries in the U.A.E. is not, in general, prompt and regular, particularly in the non-public sector units. It is reported by 22 percent of the sample emigrants there are delays in payment of salaries/wages. The categories of workers who reported delay are sales persons, and other service sector workers and those engaged in production, construction and transport and related activities. The period of delay reported ranged from less than one month to more than six months. Of the sample emigrants who reported delay in payment of salaries, the delay in the case of more than four-fifths, was two to three months. Another 6 percent reported four to five months' delay. In the case of another 5 percent the delay was six months or more. Delay in the payment of salaries and wages is one of the basic problems faced by emigrant workers in U.A.E. It is pointed out that due to recession, payments are increasingly getting delayed for workers in the construction sector.

Table 40: Distribution of Sample Emigrants by Monthly Salary/Wage Levels

Salary in UAE Dirhams	Indian Rupees	Percent
251-500	3012-6000	2.63
501-750	6012-9000	8.50
751-1000	9012-12000	14.07
1001-1500	12012-18000	23.75
1501-2000	18012-24000	15.54
2001-2500	24012-30000	3.51
2501-3000	30012-36000	5.27
3001-3500	36012-42000	6.45
3501-4000	42012-48000	4.98
4001-4500	48012-54000	2.93
4501-5000	54012-60000	3.22
Greater than 5000	Greater than 60012	9.01
Total		100.00

Source: Field Survey conducted at United Arab Emirates, 2001.

One of the major reasons for the return of emigrants from the Gulf countries is reported to be abandonment of jobs by the emigrants caused by non-receipt of salaries. It was found that 7 percent of the sample emigrants were forced to quit their earlier jobs due to non-payment of their salaries. The major category of workers who were forced to quit jobs on this account was workers connected with construction, production and transport (Table 41). However, salary and wage rates did not show any signs of decline during the period since 1997 when recession set in. The available information suggests that wage rates and the inflow of expatriate workers from foreign countries remained stable in the U.A.E. during the period.

Table 41: Percentage Distribution of the Workers Who Quit Jobs Due to Non-receipt of Salary/Wage Dues

Occupation	Forced to quit a job without getting all the salaries		
	Yes	No	Total
Professional/Technical and Related Workers	1.96	98.04	100.0
Administrative, Executive and Managerial Workers	27.27	72.73	100.0
Clerical and Related Workers	5.56	94.44	100.0
Sales Workers	6.45	93.55	100.0
Service Workers	10.0	90.0	100.0
Farmers, Fishermen, Hunters and Related Workers		100.0	100.0
Production and Related Workers, Transport Equipment Operators, and Related Workers	7.59	92.41	100.0
Total	6.96	93.04	100.0

Source: Field Survey conducted at United Arab Emirates, 2001.

Visa, Work Contract and Non-wage Benefits

In contract migration, all conditions relating to employment, hours of work, wages, non-wage benefits, accommodation, air ticket for return etc. are stipulated in the terms of contract. According to the U.A.E immigration rules, it is the responsibility of employers to meet all costs connected with recruitment and expenses connected with the onward and return journeys of the recruitee. The worker is entitled to free air ticket for return home after the expiry of the contract period. No fees are to be levied for visas either. The only cost the emigrant is expected to bear is expense for medical check up. Though these rules are in force, the employers and the recruiting agents try to exploit workers in several ways. Most of the workers who face problems in the U.A.E for living and working and for return home pertain to the terms of contract and their implementation. Usually workers who have proper visas and work contracts specifying the working conditions, do not face serious problems. On the other hand workers who migrate without proper visas for work and work contracts face severe problems.

In our sample 83 percent of the emigrants came to the U.A.E with proper visas for work. Another 17 percent came here with tourist visa or other categories of visa. Visas were obtained through a variety of sources: licensed recruiting agents, unlicensed recruiting agents, relatives and friends. It is reported that 60 percent got their visas through relatives and friends already in the U.A.E (Table 42). Many who came to the U.A.E with the help of relatives, friends and recruiting agents had not been excessively concerned about the conditions laid down in their work contracts. In their anxiety to migrate to the Gulf, many of them had been willing to work on whatever terms and conditions the foreign employers prescribed. In many cases work contracts signed prior to departure from Kerala were cancelled on arrival in the U.A.E.; they were forced to sign new contracts before job placement. A disturbing

development is that the employers in the U.A.E try to impose contracts on the workers, which violate rules in vogue regarding the non-wage benefits. It is reported that the practices of negation or cutting down of non-wage benefits, denial of accommodation and refusal of air fare for return home, are widespread.

Table 42: Distribution of Sample Emigrants by Sources of Visa

Sources of Visa	Percent
Licensed Recruiting Agent	23.6
Unlicensed recruiting agent	6.9
Relatives	43.7
Friends	15.8
Others	10.1
Total	100.0

Source: Field Survey conducted at United Arab Emirates, 2001.

It was reported by more than one-fifths of the sample emigrants that they did not receive the same job, the same wages and the same non-wage benefits laid down in their work contracts (Table 43). The categories who have not received the wages and other benefits as per the contract are workers connected with construction, production and transport. According to U.A.E immigration rules, the employer will have to meet the airfare for onward and return journey of the contract worker. But the employers and recruiting agents are forcing the emigrants to bear all travel costs. An enquiry about the year in which they returned last to their native place revealed that 26 percent returned in 2001, 57 percent in 2000, 12 percent in 1999 and 3 percent in 1998. It was found that 52 percent of them spent money from their own pocket for purchasing air ticket to return home (Table 44). On the other hand, in the case of 48 percent, their employer had given free air ticket to return home. The persons who paid for the return journey belong to all categories of workers.

Table 43: Occupational Distribution of Sample Emigrants by Adherence to Terms and Conditions of Contract

(in percentage)

Occupation	Terms and Conditions		
	Adhere to	Not Adhere to	Total
Professional/Technical and Related Workers	100.0	-	100.0
Administrative, Executive and Managerial Workers	85.71	14.29	100.0
Clerical and Related Workers	95.12	4.88	100.0
Sales Workers	73.33	26.67	100.0
Service Workers	78.95	21.05	100.0
Farmers, Fishermen, Hunters and Related Workers	100.0	-	100.0
Production and Related Workers, Transport Equipment Operators, and Related Workers	60.20	39.80	100.0
Total	78.52	21.48	100.0

Source: Field Survey conducted at United Arab Emirates, 2001.

Table 44: Occupational Distribution of Sample Emigrants by Party which Paid the Air Fare

(in percentage)

Occupation	Who paid your ticket charge		
	Emigrant	Employer	Total
Professional/Technical and Related Workers	55.56	44.44	100.0
Administrative, Executive and Managerial Workers	47.37	52.63	100.0
Clerical and Related Workers	45.45	54.55	100.0
Sales Workers	44.74	55.26	100.0
Service Workers	39.13	60.87	100.0
Farmers, Fishermen, Hunters and Related Workers	100.0	-	100.0

Cont'd.....

Occupation	Who paid your ticket charge		
	Emigrant	Employer	Total
Production and Related Workers; Transport Equipment Operators and Related Workers	61.18	38.82	100.0
Total	52.38	47.62	100.0

Source: Field Survey conducted at United Arab Emirates, 2001.

A serious problem faced by the emigrants in the U.A.E is the custody of passports. The usual practice followed in the U.A.E is to force the employers to collect the passports of the emigrants at the time of their reporting for work. By this practice the employer gains absolute control over all movements of the emigrants in his employ. In many cases, the employer refuses to release the passport to the emigrant workers on the ground of minor labour problems or disputes regarding payment of wages. In our study we found that 11 percent of the employers refused to release passport when the emigrant wanted to return. The categories who were denied return of their passports belong to all the sectors of economic activity: construction, production, transport and services, causing considerable hardship to the emigrants.

It was found that 26 percent of the emigrants lived in flats and another 27 percent in portions of flats in the cities of Abudhabi, Dubai and Sharjah (Table 45). Another 15 percent lived in rented rooms in cities. The rest (about one-third) lived in worker camps. The majority of the emigrants in cities lived in flats, in portions of flats or rented rooms and paid rent from own earnings. It is reported that two-thirds belonged to this category. Only in the case of the rest employers paid the rent of their workers.

Table 45: Distribution of Sample Emigrants by Place of Stay

Place of stay	Percent
Flat	26.17
Part of a flat	26.79
Rented room in the city	14.64
Worker camps	32.40
Total	100.00

Source: Field Survey conducted at United Arab Emirates, 2001.

Worker Camps

In the U.A.E almost 70 percent of the contract workers are provided with accommodation in worker camps constructed mainly for housing single male workers. These worker camps located away from the cities have construction workers, production-related workers, sales workers and service workers housed in them. Most of the low-wage categories are housed in worker camps. In Abudhabi, the camps are located at Mussafah. In Dubai the worker camps are located at Sonapur, 15 kms away from the city. The other places where work camps are located are the Al Quaz and the Jebel Ali Free Zones. These camps are maintained by employers. The workers are transported daily to the construction sites, factories, production units and other establishments in which they are employed. In the case of 75 percent of the camps water, electricity, air-conditioning and cooking facilities are available. About one-third of the sample emigrants are found to be living in worker camps. The number of persons per room ranges from one to eight (Table 46). It is reported that in one-third of the rooms the average number of persons living is 4. In another 28 percent the average number of persons per room is as high as 8. Thus we find that 88 percent of the total emigrants living in worker camps are living in rooms having an average number of persons ranging between 4 and 8. The employers meet the rent for the accommodation of workers in worker camps.

Table 46: Number of Persons per Room in Worker Camps

No. of persons per room	Percent
1	0.96
2	3.85
3	7.69
4	32.69
5	5.77
6	20.19
7	0.96
8	27.88
Total	100.00

Source: Field Survey conducted at United Arab Emirates, 2001.

Savings

Based on the sample survey we have estimated the monthly savings of the sample emigrants. Savings are estimated based on the earnings and the expenditure incurred in the U.A.E. From their savings, emigrants spend money for their return journey and meet expenditure for education of their children in India or abroad as well as for repayment of debts.

Table 47: Distribution of Sample Emigrants by Monthly Savings Groups

Earnings in UAE (Dirham)	Savings (Indian Rs)	Percent
Less than 250	3000	3.7
251-500	3012-6000	32.5
501-750	6012-9000	11.6
751-1000	9012-12000	22.6
1001-1500	12012-18000	7.5

1501-2000	18012-24000	7.1
2001-2500	24012-30000	4.4
2501-3000	30012-36000	2.7
3001-3500	36012-42000	1.7
3501-4000	42012-48000	1.7
4001-4500	48012-54000	0.3
4501-5000	54012-60000	0.3
Greater than 5000	Greater than 60012	1.3
Total		100.0

Source: Field Survey conducted at United Arab Emirates, 2001.

As the majority of the emigrants have to meet the cost of their air tickets for return journey home for themselves and for the members of their families, it is likely that a good part of the savings would be spent for travel. It is found that 36 percent of the emigrants had monthly savings of less than 500 Dirhams and another 34 percent a saving ranging from 501 to 1000 Dirhams (Table 47). Thus nearly 70 percent had monthly savings of less than 1000 Dirhams. It is seen that only less than 6 percent had a monthly savings of more than 3000 Dirhams. The categories of workers getting higher monthly savings are professional, technical, administrative, executive, clerical and sales workers.

Demand Prospects

Judged in terms of the changes in the labour market and also the changes in the composition of employment, we find that the following categories are likely to be demanded in the future. Under professional, technical and related workers the categories which would be in demand are engineers, physicians and surgeons, nurses and other paramedical staff, health technicians, accountants and auditors and all category of teachers. Executives and management experts would be another category, which would be in demand in the coming years. Salesmen, shop assistants

and sales representatives are still another category, which has bright prospects. Under service workers, the categories which are likely to be in demand are caterers, restaurateurs, housekeepers, stewards, cooks, waiters and other service workers. The technicians and skilled workers who would be demanded include miners, metal processors, chemical processors, machinists, fitters, precision instrument makers, electricians, plumbers, welders and sheet metal workers. Skilled construction workers, heavy equipment operators, and transport equipment operators also may be in high demand in the U.A.E. in the immediate future. A detailed list of the categories of personnel likely to be demanded in U.A.E is given in Annexure III.

VIII. Issues and Recommendations

The study team met the Indian/Keralite Associations in Abudhabi, Dubai and Sharjah and held detailed discussions on problems faced by the emigrants from Kerala in the U.A.E. The list of Associations met is given in Annexure II. The major problems pointed out by the Associations are connected with air travel, air fare, user fee levied in airports in Kerala, admission of their children in professional colleges, inclusion of emigrants' names in ration cards, attestation of certificates and introduction of a pension scheme. All the associations in the U.A.E are of the view that the monopoly of Air India in the Gulf sector and its irrational fare fixation policy, have created serious problems for the emigrants in the U.A.E. It is pointed out that Air India charges exorbitant air fares in the Gulf routes compared to fares in the other routes, particularly during the peak season between June and August. As the majority of the emigrants are not provided with air ticket by their employers in the U.A.E, the high air fare charged by Air India impose severe burden on the majority of the emigrants who work in low-paid categories of jobs.

Another major complaint is against the users' fee charged from NRIs who travel from the international airports at Cochin and Calicut. It is pointed out that the airport users' fee is charged in addition to other taxes. The Associations feel that levy of users' fee on one category of passengers alone is discriminative and unjust. The Associations also point out the practice of collecting exorbitant capitation fees and other fees from students seeking admission in professional colleges of Kerala under the NRI quota. These students are asked to pay their fees and other levies in foreign currency. The associations are of the view that this is a discriminative and unfair practice.

The Associations wanted the inclusion of the names of Non-Resident Keralites in the ration cards of their households back at home as well as in the voter's list. As their names are not included in the list of members of the household, in ration cards, they are deprived of several benefits enjoyed by citizens residing in India.

In the U.A.E, employers in the organized sector insist on the verification of certificates of the emigrants, through the Indian Embassy. And to verify the authenticity of the certificates, the Indian Embassy, Abudhabi and the Indian Counsel General, Dubai send them for verification to the concerned Universities in Kerala, the State Board of Technical Education and the Board of Public Examinations and other relevant agencies. The Embassy officials pointed out that enormous delays are involved in getting responses from these institutions. There are cases where the candidate lost his job because of the enormous delay in obtaining the verification reports on his educational qualifications.

One of the long-standing demands of Indian Associations in the U.A.E is the introduction of some regular income-earning schemes in Kerala to face the job uncertainties of the emigrants and to provide them means of a steady income flow during their post-retirement period. The

Associations suggested the introduction of a saving or pension scheme for the purpose based on contributions made by emigrants while in employment abroad.

Recommendations

- 1) The State Government should promote shipping services between Kochi and the Gulf countries. The comparatively low fares for sea voyage would give substantial relief to nearly half the number of Kerala emigrants in the UAE.
- 2) The State Government should take steps to curtail the monopoly of Air India in routes connecting Kerala to the Gulf countries. Steps should be taken to grant foreign airlines permission to operate services connecting Thiruvananthapuram, Kochi and Kozhikode with the various airports in the Gulf region. Competition among air lines would help reduction of airfares considerably.
- 3) There is a need to review the airfares charged in the routes connecting Indian cities with the cities of the Gulf countries. The Ministry of Civil Aviation of the Government of India may appoint an expert committee to review the pricing policy and fare structure taking into consideration the interests of the Indian emigrants in the Gulf region.
- 4) There is a strong case for reducing the airport users' fees in Kerala. We recommend that the users' fee levied in international airports at Cochin and Calicut should be reduced to Rs.100 per adult passenger. The fee should be levied from domestic as well as international travellers, exempting small children from the levy.
- 5) The name of emigrants and their dependants who live abroad should be included in the ration cards and the voters' lists and

the fact of these persons being resident abroad should be recorded in the cards.

- 6) The state government should direct the universities in Kerala, State Boards of Technical Education, and Boards of Public Examinations and other bodies which issue certificates and degrees to send certificate verification reports to the Indian Embassies in the Gulf countries on a priority basis. For each application for verification these above institutions may charge a fee of 100 U A E Dirhams or its equivalent amount in Indian currency.
- 7) The State Government may formulate a savings scheme and a pension scheme for the benefit of emigrants, with the help of banks or insurance agencies or mutual funds, based on contributions from the emigrants while in employment abroad.
- 8) The government of Kerala should follow a policy conducive to attracting NRI investment. Particular attention should be paid to the development and streamlining of credit, labour, infrastructure, higher education, tourism and information technology to promote NRI investment. Appropriate changes in administrative practices/rules may also be effected for the purpose.
- 9) The functions of the Department of Non-resident Keralite Affairs (NORKA) may be expanded to include promotion of NRI investment in its portfolio. NORKA should co-ordinate the promotion of NRI investment with the Industries Department of the government and other concerned agencies.
- 10) A high power NRI Investment Board should be created to clear all the NRI investment proposals through a single window system.
- 11) To promote NRI investment three types of promotional methods may be used:

- a. NRIs should be encouraged to start ventures on industrial or group basis by forming companies or other forms of organisations. Here the role of the Government should be limited to giving necessary permissions to start business units projects.
 - b. NRI investment may be promoted through collaborative arrangements with Government agencies. The government agencies engaged in the promotion of industries, information technology, tourism, etc. may collaborate with individuals or groups of NRIs for formulating and implementing investment projects.
 - c. The government may promote NRI investment through agreements of the Build, Operate and Transfer (BOT) type.
- 12) With the help of reputed agencies or consultants, viable project proposals may be prepared for promoting NRI investment. These project proposals may be presented to the NRIs for attracting their investment.
 - 13) Taking into consideration the preference of the NRI investors and the investment potential and possibilities of Kerala, we identify the following sectors for attracting NRI investment: higher education, real estate, tourism, industry, information technology, health care and infrastructure.

Annexure I

List of Officials Interviewed by the Study Team

1. K.C. Singh, Ambassador of India, Abudhabi
2. K. Prasannan Pillai, First Secretary (Consular) Embassy of India
3. Atma Singh, Counsellor (Commercial) Embassy of India
4. Bimal Kapoor, First Secretary Indian Embassy
5. I.P. Mohanan, Consul, Consulate General of India, Dubai
6. Yousif Gaafar Siraj E I Nour, Labour Advisor, Ministry of Labour and Social Affairs, Abudhabi
7. Renato P.O. Villa, Third Secretary and Vice consul Embassy of Philippines, Abudhabi
8. Annabella M Oliveros, Assistant Labour Attache, Embassy of Philippines, Abudhabi
9. Y.Sudhir Kumar Shetty, General Manager, U.A.E Exchange Centre, Abudhabi
10. T.C Agarwal, Manager, Precast Factory, Abudhabi
11. Mayom Alier, Staff Reporter, The Gulf Today, Abudhabi
12. Isaac John, Business Correspondent, Khaleej Times, Dubai.

Annexure II

List of Associations Visited by the Study Team

Indian Islamic Centre, Dubai

Indian Social Centre, Abudhabi

Abudhabi Malayalee Samajam, Abudhabi

Indian Association, Sharjah

Indian Islamic Centre, Abudhabi

Navabharatham, Abudhabi

Pravasi Malayalee Council, Sharjah

C.M.S College Alumini Association

Dubai Priyadarshini, Dubai

Indian Overseas Congress, Dubai

Annexure III

Category of workers in Demand in the UAE

- I. Professional, Technical and related workers
 1. Architects, Engineers, Technologists, and Surveyors
 2. Physicians and Surgeons (Allopathic and Dental)
 3. Nursing and other medical and health technicians
 4. Scientific, medical and technical persons
 5. Economists and related workers
 6. Accountants, Auditors and related workers
 7. Teachers
 8. Professional workers
- II. Administrative, Executive and managerial workers
 9. Administrative and Executives
 10. Managers, Financial institutions
 11. Administrative, Executive and Managerial workers
- III. Clerical and related workers
 12. Merchants and shop keepers, wholesale and retail trade
 13. Technical and commercial travellers
 14. Salesmen, shop assistants and related workers
 15. Sales workers
- IV. Service workers
 16. Hotel and restaurant keepers
 17. House keepers, matron and stewards (Domestic and institutional)
 18. Cooks, waiters, bar tenders and related workers (Domestic and Institutional)

19. Service workers
- V. Production and related workers, transport equipment operators and labourers
 20. Miners, Quarrymen, Well-drillers and related workers
 21. Metal processors
 22. Chemical processors and related workers
 23. Machinery fitters, machine assemblers and precision instrument makers (Except electrical)
 24. Electrical fitters and related electrical and electronic workers
 25. Plumbers, welders, sheet metal and structural metal preparers and erectors
 26. Printing and related workers
 27. Brick layers and other construction workers
 28. Material handling and related equipment operators, loaders and unloaders
 29. Transport equipment operators

Annexure IV

Estimates of Remittances to Kerala, Various Sources, KMS, RMS and QMS

From Kerala Migration Study (KMS) 1998.

In this survey all households were asked “how much money you have received from emigrants during the last 12 months”.

An estimate of the total remittances from this study was Rs 3530 crores. (WP 297)

This clearly is an underestimate. Households tend to underestimate their remittances. The person who answered the question in the household may not know the exact amount. He or she may not be the person who received the money. More than one person in the household could have received remittances.

In spite of the possible underestimation, the data on remittances from the KMS are extremely useful for several analytical purposes. Although the absolute level may be an underestimate internal relationships could be quite valid. For example, if the degree of underestimation is the same in all communities, the proportion of remittances received by any particular community may be correct. The survey indicated that 47.2 percent of the remittances were received by the Muslim households. In spite of any huge underestimation of the total, this ratio could be reliable. Similarly, the proportion of remittances received by households with emigrants in the UAE to total remittances may be quite close to reality. This fact is made use of later in this note.

Return Migration Study(RMS) 2001.

In the RMS, we asked all return emigrants what their annual incomes in the Gulf countries and what their annual expenses had been.

The difference gives their savings. The figures are:

Annual income	= Rs 121,000
Annual living expenses	= Rs 43,000
Annual savings	= Rs 78,000

If this amount is multiplied by the total number of emigrants as given by the KMS, we get an estimate of annual remittances. According to KMS the number of emigrants should lie between 1,175 thousand and 1,548 thousand with an average of 1,362 thousand. Thus, the annual remittances to Kerala should vary between Rs 9,168 crore and Rs 12,078 crore with an average of Rs 10,623 crore. This estimate could also be an underestimate as the annual savings of the return of Gulf emigrants is likely to be lower than that of all emigrants, including those who have not returned.

Gulf Migration Study (GMS) 2001.

The Gulf Migration Survey conducted in the UAE collected information about remittances to Kerala made through the UAE Exchange Centre. Remittances to India in 1998-2000 and the estimate of remittances to Kerala are given below

(Rs crore)

Year	India	Kerala
1998	5728	3293
1999	6691	3846
2000	7187	4131
Average 1998-2000	6535	3757

The figures for Kerala are estimated from those of India assuming that remittances to Kerala constituted 57.48 percent of the total for India. The percentage was obtained from the distribution of remittances by States in India for May 2001 (see Table 15 in the Text).

The figures give an average remittances of Rs 3,757 during 1998-2000.

According to KMS, the remittances from all countries (including the USA and Western Europe) was 3.67745 times that from the three UAE countries. Similarly the remittances from all Gulf countries was 3.36458 times that from the UAE countries. On this basis the estimates of remittances are:

(in Rs Crore)			
	UAE	All Gulf	All Countries
Year	alone	Countries	in the world
1998	3293	11080	12110
1999	3846	12940	14143
2000	4131	13899	15192
1998-2000	3757	12640	13,815

Our best estimate of annual remittances to Kerala during 1998-2000 is 13,815 thousand crores.

A critical element in this estimation method is the assumption that 55 percent of the remittances from the UAE is handled by the UAE Exchange centre. This percentage is obtained from the UAE Exchange authorities. We don't have independent sources to verify the figure.

Country of Origin	Remittances (in Rs Crore)
Saudi Arabia	5333
United Arab Emirates	3757
Kuwait	1232
Mascot	816
Oman	284
Qatar	628
Bahrain	590
Others	1175
Total	13815

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