

FROM INDIA TO THE GULF REGION: EXPLORING LINKS BETWEEN LABOUR MARKETS, SKILLS AND THE MIGRATION CYCLE



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Foreword

Temporary labour migration is often touted as a triple-win: a win for labour migrant-receiving countries that can support a level of economic activity that would be impossible without foreign labourers; a win for labour migrant-sending countries because it lowers unemployment and brings in remittances and skills; and a win for the labour migrants, who can earn more income and ultimately move out of poverty. However, governments have yet to develop a system that ensures that the triple-win delivers benefits equally to all three spheres. And it is the migrants who are ending up short-changed.

Despite the substantial benefits generated by the migration flow between India and Gulf Cooperation Council countries, many challenges remain to ensure a fairer distribution of the triple-win profits. Much has been written on the abuses of migrant workers during recruitment and employment throughout the migration cycle, but less is known about labour demand, its relationship to skills and the impact of the recruitment process on demand and skill development.

Lack of information regarding qualifications, skills, wages and how demand will evolve inhibits informed decision-making by public and private institutions as well as by migrant workers. This results in lost opportunities or mistakes with training investment in both source and recipient countries. Additionally, there is no system of mutual recognition of educational attainment and acquired skills based on comparable standards for low-skilled or semi-skilled occupations.

This report addresses some of these issues, with a special focus on the role of skills in India, including skills training, certification, skills matching and recruitment practices. Written by S.K. Sasi-kumar, Senior Fellow, and Rakhee Timothy, Associate Fellow, of the V.V. Giri National Labour Institute, the report is a result of a partnership between the International Labour Organization (ILO) through its European Union-funded South Asia Labour Migration Governance Project, and the Inclusive Development of the Economy (INCLUDE) Programme, a joint Nepal-German initiative under the guidance of the Nepal Ministry of Industry, with technical assistance provided by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ).

The report is a complement to Labour Market Trends Analysis and Labour Migration from South Asia to Gulf Cooperation Council Countries, Malaysia and India, prepared by the ILO and GIZ Nepal. We hope that both reports will be useful in guiding the Government and other stakeholders in India to better align their systems for facilitating and supporting male and female migrant workers in selected sectors and trades, ultimately leading to increased employability and enhanced skills among workers migrating out of India.

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Abbreviations and acronyms

| | |
|--------|--|
| CDS | current daily status |
| ECR | Emigration Check Required |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH |
| ILO | International Labour Organization |
| MOIA | Ministry of Overseas Indian Affairs |
| MOU | memoranda of understanding |
| NSQF | National Skill Qualification Framework |
| NSSO | National Sample Survey Office |
| UNDESA | United Nations Department of Economic and Social Affairs |
| UPSS | usual principal and subsidiary status |



Executive summary

This report highlights the links between labour market features, skill development and international labour flows in the context of labour migration from India to Gulf Cooperation Council (GCC) countries — a prominent destination for Indian workers. An analysis of the links is imperative due to the increased complications in migration governance systems and with immigration policies becoming restrictive or even skill-selective in many labour-receiving countries. The report argues that policies based on such an assessment will contribute towards improving labour market and migration outcomes, particularly for low-skilled and semi-skilled migrants.

The increasing significance of GCC countries as a destination for migrant workers is illustrated by the change in total migrant stock in those countries, which grew from 8.9 million in 1990 to 22.3 million in 2013. India, which sends the largest number of migrants to GCC countries, accounted for more than one fourth of the region's total migrant population in 2013. The current annual recorded flow of low-skilled labour migrants from India to GCC countries (estimated at around 600,000–800,000 workers per year) is a tiny proportion of the total labour force in India (estimated at nearly 485 million); but in comparison with the annual addition to the labour force in the past two decades (at an average of 7 million to 8 million workers per year), the labour outflow figures are quite heavy; foreign employment destinations have acted as a crucial safety valve for the Indian labour market. This is particularly important, given that the country's employment growth in recent years has been much lower than the rates recorded during the two previous decades. Relatively higher unemployment rates among educated youth make the situation even more problematic.

Additionally, there has been an interesting change in the state origin of low-skilled labour outflows from India to GCC countries. Although labour outflows from relatively poorer states, such as Uttar Pradesh and Bihar, have increased substantially, the proportion of migrants from relatively prosperous states, such as Kerala and Karnataka, have reduced considerably. This suggests that the persistence of wage inequalities and low growth in formal employment spur workers to consider international migration as an option for improving their economic well-being. Although the generation of quality employment within a country is the surest means to provide sustainable livelihoods to the vast majority of the low-income and low-skilled population, it is important for policy responses to consider the role of overseas migration in reducing the pressure on domestic employment.

The skill base of an economy, both in quantitative and qualitative dimensions, is a primary determinant for the creation of decent and remunerative employment, including overseas employment. The educational attainment of the population is a critical indicator for assessing the nature of the skill base. Analysis of education levels in India during the past two decades indicates that, although

the overall levels are still bottom heavy, there has been considerable improvement. For instance, the proportion of the population with an education above the secondary level more than doubled (from 11.2 per cent to 23.2 per cent) during the period 1993–94 to 2011–12. This is significant, given that the secondary level of educational attainment is the minimum qualification required for pursuing vocational education.

A difficult problem with India's skill base is the small proportion of workers with technical and vocational education — only 17.1 per cent of the labour force in 2011–12 was vocationally and/or technically trained (either enrolled in a course or a graduate at that time). More importantly, although 3.7 per cent of the labour force had received formal vocational training, 13.4 per cent of workers obtained their training through a non-formal mode, such as learning from a relative, self-learning or learning on the job.

India faces two major challenges in scaling up the employability of its labour force for both the domestic and international labour markets, at least in terms of vocational training: (i) expanding the outreach and operations of the formal skill development institutions to cover all regions to ensure easy access to vocational training and (ii) certification of non-formally acquired skills, considering that a large number of those who obtain vocational training do so through non-formal means.

One of the issues covered in this report is the process in India to match the labour supply with labour demand in destination countries. The research revealed a major lacuna in the management of international labour mobility in India: the lack of systematic information available to workers and recruiters on the emerging labour demand in those destination countries as well as changes in immigration policies of countries. This is a critical gap, considering that GCC labour markets are experiencing major structural transformations, particularly in terms of increasing use of advanced technologies and corresponding changes in the skills and qualifications expected of workers.

Over the years, several methods have evolved to access information on the labour demand in destination countries. One method commonly adopted by licensed recruiting agents is to establish direct contact with potential employers. Strong links have been established between recruiters and certain employers; those recruiters have thus become specialized in recruiting workers to certain sectors or countries. Private skill development institutions, particularly those offering training in trades requiring only low- to medium-end skills, sometimes use recruiting agencies as a channel to establish contact with employers in destination countries. In some cases, the curriculum of courses is designed or modified in accordance with the emerging skill needs in the GCC countries.

MAJOR POLICY RECOMMENDATIONS

The report outlines the following six policy perspectives for enhancing the links between skill development and international migration, both in the countries of origin and destination, to improve the outcomes for migrants and their families.

Develop and strengthen the labour market information system on international migration

Considering that the India–Gulf region corridor is one of the more populated among migration routes, there is an immediate need to evolve robust mechanisms that continuously monitor and forecast the emerging labour and skill requirements in all GCC countries. Such forecasts should be available across sectors and skill qualifications, both for current as well as for future labour requirements. It is critical that such factors as demographic transition, technological advancements and changes in immigration policy are appropriately factored in when estimating labour and skill demands.

Although forecasting is a critical component of a labour market information system, it is equally important to put in place mechanisms that facilitate the connection between foreign employers and Indian job seekers. Attempts to create such platforms have been made in certain states, like Andhra Pradesh and Kerala, but it is necessary to expand the coverage across the country, possibly by developing a national website portal on international labour migration.

Strengthening the governance processes and policy framework supporting labour migration needs to be an ongoing process. Effective labour migration governance systems require governments to be invested in creating cohesive legislation and policies that keep the well-being and rights of migrant workers as the primary focus. In India, this process is hampered by the lack of easily accessible, disaggregated and statistically comparable data. India should develop a comprehensive database that captures the trends and characteristics of labour outflows, encompassing all categories of migrant workers. Additionally, there is urgent need to collect data on return migration, which currently is hardly done in India. To strengthen policy on the reintegration of returned migrants, information should be collected on several critical variables, such as skills acquired during overseas employment, financial resources available and entrepreneurial skills.

Several labour-sending countries, such as Bangladesh, the Philippines and Sri Lanka, conduct national surveys on international migration periodically. Because overseas migration is an important component of India's economic and social development, it is puzzling that no attempt has been made to conduct a similar national survey. The Ministry of Overseas Indian Affairs could collaborate with leading institutions and the International Labour Organization to undertake a national survey that would inform sustainable international migration policies.

Strengthen links between skill development systems and international migration

It is evident from our analysis that there are minimal links between skill development systems in India and the flow of workers migrating abroad. Establishment of such links, which would immediately improve the labour market as well as the migration outcomes of workers, is possible at several levels. Based on the emerging demands for skills in the destination countries, skill development institutions could offer associated short-term certificate courses. Additionally, the curriculum of existing certificate courses could be modified according to the emerging skill needs in destination countries, particularly in relation to trades or sectors (like construction) that are in great demand in GCC countries.

Certification systems that are in sync with prevailing or emerging standards in destination countries are needed. Vocational skill development institutions in India (such as industrial training centres) should be encouraged to benchmark their standards against those developed by international skill certifiers. This is critical not only to enhance the skill endowments of graduates but also to develop India as a leading supplier of skilled labourers, well able to respond to emerging demands in GCC labour markets.

Another important issue pertains to the means of skill acquisition. The study's analysis revealed that a substantial majority of the labour force in India acquires skills through non-formal or informal methods. There is an urgent need to expand the operation of systems to certify non-formally and informally acquired skills. A requisite in this regard is recognition of prior learning.

Devise a framework to recognize migrants' newly acquired skills

The recognition of skills acquired by migrant workers while working abroad is critical, given the temporality of immigration policies. Certifying newly acquired skills of migrants is a largely neglected aspect in the policies of most labour-sending countries, including India. The certification of skills becomes effective if there is cooperation between labour-sending and labour-receiving countries. For instance, labour-receiving countries could volunteer to certify migrant workers' skills. A case in point is the Happy Return programme implemented by the Ministry of Employment and Labour in the Republic of Korea. The programme (i) provides free business training and career guidance to migrant workers to help them start a business or find a job in local Korean companies in their home country, (ii) provides free 40-hour training at a training centre near workplaces and (iii) issues certification of work experience for migrant workers to facilitate their job applications to Korean companies or multinational corporations in their home country. In the post-return phase, migrant workers are informed of employment opportunities at local Korean-owned companies through job fairs as well as online and offline job placement services. The programme also extends counselling services to migrants to cope with difficulties during the resettlement process.

Establish collaboration between labour-sending and labour-receiving countries on skill certification

Collaboration should be forged between sending and receiving countries on better skill matching as well as on skill testing and certification. This could be formalized through memoranda of understanding (MOUs) between India and each GCC country. The existing MOUs on labour migration mostly cover the regulation of working conditions, mobility of workers or social security agreements; MOUs on skills are needed to promote recognition of prior learning and improve migrants' employability.

Recognize the role of private recruitment agents

The Government can facilitate the increased involvement of private recruitment agencies by providing them relevant training, setting up common standards and giving them the authority to conduct programmes based on a certified curricula. Interestingly, such initiatives are practised in Sri Lanka, where the Government liaises with private recruitment agents to conduct pre-departure programmes and also collaborates with state technical education and vocational training institutions to impart skills (and issue certification) for jobs that are in demand in foreign destinations.

Institute customized skill development programmes suitable for vulnerable categories of migrant workers

Considering that a significant share of workers migrating from India to a GCC country are either low-skilled or possess non-certified skills, mechanisms should be set up to impart to them skills that are in demand. This is particularly important for vulnerable migrants, such as domestic workers, who can possibly claim better wages if they are given some pre-employment training. Such good practices are being instituted in countries with efficient migration management systems, like the Philippines and Sri Lanka.



Introduction

Chapter 1

As a major labour-sending country, India is an interesting case study through which to assess emerging labour market characteristics, evolving skill development systems and the links of both to the international labour flow. This report looks at those links in the context of the labour flow from India to Gulf Cooperation Council (GCC) countries, which is a major destination for Indian workers. Today, of the estimated 22 million migrants in GCC countries, nearly 30 per cent are from India. This report draws on analysis from a larger country-of-destination study.¹

Although the proportion of Indians to total migrants is the largest in Oman (at around 58 per cent), it is also significantly large in the United Arab Emirates, Bahrain, Qatar and Kuwait (at 36 per cent in each country). Even in Saudi Arabia, which has the largest number of migrants, Indians account for around one fifth of all migrants (UNDESA, 2013).

The report argues that policies based on an assessment of the links between labour migration and skills will considerably enhance migration outcomes, particularly for low-skilled and medium-skilled migrants. This type of analysis is also critical because of the increased complications in migration governance systems, with immigration policies becoming restrictive and even skill selective in many labour-receiving countries.

International labour migration has become a vital feature of the Indian economy due to several factors. First, India receives the largest amount of remittances in the world; in 2014, total workers' remittances were estimated at US\$71 billion, with nearly half of all remittances originating in GCC countries (World Bank, 2014). Second, international labour migration has strong development links at the macro (national and state) as well as micro (individual and household) levels. Although the economic impacts of labour migration, particularly in terms of its contribution to foreign exchange reserves, are well documented, recent evidence from certain states in India with a high migration rate, such as Kerala and Andhra Pradesh, indicate positive impacts of migration on health and educational attainments as well as gender relations, especially in low-to lower-middle-income households (Rajan, 2013; Timothy and Sasikumar, 2012). Third, international labour migration is important as a means of providing some respite, at least in the short to medium terms, to the situation of excess labour supply, by offering an outlet for the mounting level of youth unemployment in India.

STRUCTURE OF THE REPORT

Section 2 of this report provides an overview of contemporary migration trends from India to GCC countries. Section 3 analyses the emerging labour market characteristics of the Indian economy and its implications for international labour migration. Section 4 analyses the existing skill base of the Indian labour force. Section 5 delineates the migration processes and examines the roles and operations of various agencies (government and private) in matching demand for and supply of migrant labour. Finally, section 6 suggests policy directions to improve migration outcomes, particularly in the context of the links between the skill supply and international migration.

¹ See GIZ and ILO: Labour market trends analysis for labour migrants from South Asia to selected Gulf Cooperation Council countries, Malaysia and India (Kathmandu, 2015).



Overview of the labour flow from India to Gulf Cooperation Council countries

Chapter 2

The significance of GCC countries as a destination for migrants is evident in the change of total migrant stock, which grew from 8.9 million in 1990 to 22.3 million in 2013 (Table 1), with the share of migrants in the GCC region among the total world migrant stock also increasing, from 5.7 per cent in 1990 to 9.7 per cent in 2013.

Table 1. Proportion of South Asian migrants in Gulf Cooperation Council countries, 1990–2013

| GCC countries | 1990 | 2000 | 2010 | 2013 |
|--|------------------|-------------------|-------------------|-------------------|
| Bahrain | 62.5 | 63.7 | 63.4 | 63.4 |
| Kuwait | 62.5 | 63.6 | 63.4 | 63.4 |
| Oman | 83.0 | 80.7 | 83.1 | 83.1 |
| Qatar | 62.5 | 63.6 | 63.4 | 63.4 |
| Saudi Arabia | 41.9 | 46.3 | 50.5 | 50.5 |
| United Arab Emirates | 62.7 | 64.2 | 64.1 | 64.1 |
| Total number of migrants in GCC countries | 8 856 887 | 10 549 781 | 20 758 167 | 22 357 811 |

Source: UNDESA, 2013.

South Asia continues to be the major source of labour migrants to GCC countries, with nearly two thirds of the migrant stock in the region of South Asian nationality. Among the South Asian countries, India continues to send the largest number of migrants to GCC countries (Table 2).

Table 2. Stock of South Asian migrants in the Gulf Cooperation Council region, by country of origin, 1990–2013

| Country of origin | GCC countries | | | |
|--|------------------|-------------------|-------------------|-------------------|
| | 1990 | 2000 | 2010 | 2013 |
| Afghanistan | 16 690 | 16 451 | 26 324 | 28 320 |
| Bangladesh | 832 299 | 1 147 461 | 2 922 335 | 3 147 251 |
| Bhutan | - | - | - | - |
| India | 2 395 693 | 3 152 719 | 6 334 374 | 6 828 957 |
| Maldives | - | - | - | - |
| Nepal | 17 712 | 17 459 | 27 939 | 30 057 |
| Pakistan | 1 087 910 | 1 388 615 | 2 707 694 | 2 915 556 |
| Sri Lanka | 244 090 | 196 127 | 302 826 | 326 088 |
| Total number of South Asian migrants in GCC countries | 459 4394 | 5 918 832 | 12 321 492 | 13 276 229 |
| Total number of migrants in GCC countries | 8 856 887 | 10 549 781 | 20 758 167 | 22 357 811 |

Note: “-” denotes data not available. For the case of Nepal, there are wide discrepancies between UNDESA statistics and the national administrative sources; see, for example, Ministry of Labour and Employment: Labour migration for employment: A status report for Nepal 2013/14, www.ilo.org/kathmandu/whatwedo/publications/WCMS_312137/lang-en/index.htm.

Source: UNDESA, 2013.

The number of Indian migrants increased dramatically from 1990 through 2013 in all GCC countries, with the growth the greatest in the United Arab Emirates. Along with growth in absolute numbers, the proportion of Indians among the migrant population stock also increased in all countries except Saudi Arabia, where a marginal decline occurred (Table 3).

Women are becoming increasingly visible in the migratory movement from South Asia to the Gulf region. The total stock of female migrants in GCC countries has more than doubled in the past two decades, from 2.9 million in 1990 to 5.9 million in 2013 (UNDESA, 2013). Significantly, nearly half of the female migrants in GCC countries originated from South Asia. And among the South Asian countries, Sri Lanka has had the most “feminized” labour flows,² although recent evidence indicates an increase in the share of migrant women workers from India and Nepal as well to work in low-skilled occupations, like housemaids and cleaners. Somewhat recent reports also suggest that an overwhelming majority of these workers are from low-income households and opted to migrate for economic benefit (IOM, 2010).

In terms of absolute numbers, the Indian migrant population in GCC countries increased from 2.4 million in 1990 to 6.8 million in 2013, with growth becoming prominent among male and female migrants in all countries. However, the male–female proportion in the total Indian migrant stock remained more or less the same during the past two decades.

Table 3. Stock of Indian migrants in select Gulf Cooperation Council countries, by sex, 1990 and 2013

| GCC countries | 1990 | | | | 2013 | | | |
|----------------------|-------------------|-------------------|-------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
| | Male | Female | Total | Total migrant stock | Male | Female | Total | Total migrant stock |
| Bahrain | 46 828 (77.4) | 13 665 (22.6) | 60 493 (34.9) | 173 200 | 199 767 (76.0) | 63 088 (24.0) | 262 855 (36.0) | 729 357 |
| Kuwait | 380 458 (68.7) | 173 123 (31.3) | 553 581 (34.9) | 1 585 280 | 541 143 (74.1) | 189 415 (25.9) | 730 558 (36.0) | 2 028 053 |
| Oman | 180 878 (85.1) | 31 678 (14.9) | 212 556 (50.2) | 423 572 | 551 885 (85.6) | 92 819 (14.4) | 644 704 (58.0) | 1 112 032 |
| Qatar | 101 233 (78.4) | 27 914 (21.6) | 129 147 (34.9) | 369 816 | 473 069 (82.0) | 103 707 (18.0) | 576 776 (36.1) | 1 600 955 |
| Saudi Arabia | 652 957 (66.5) | 328 665 (33.5) | 981 622 (19.6) | 4 998 445 | 1 223 522 (69.5) | 538 335 (30.6) | 1 761 857 (19.5) | 9 060 433 |
| United Arab Emirates | 353 659 (77.2) | 104 635 (22.8) | 458 294 (35.1) | 1 306 574 | 2 224 781 (78.0) | 627 426 (22.0) | 2 852 207 (36.4) | 7 826 981 |

Note: (i) Figures in brackets in relation to the male and female columns indicate the proportion in total flow. (ii) Figures in brackets in the total column indicate the proportion of Indians in total migrant stock in the respective countries.
Source: UNDESA, 2013.

Although there has been a significant increase in the stock of Indian women migrants in GCC countries, the labour flows from India are still male dominated. In certain states in India, however, the number of women engaged in international migration increased over the past decade. Andhra

² According to the latest statistics, nearly half of those who migrated from Sri Lanka during 2007–12 for foreign employment were women (Government of Sri Lanka, 2012).

Pradesh, Kerala, Maharashtra and Tamil Nadu are the main states of origin for low-skilled women migrating for work in GCC countries. For instance, the proportion of women migrants from Kerala increased from 9.3 per cent in 1998 to 14.6 per cent in 2008 (Zachariah and Rajan, 2010). A large percentage of women migrants are domestic workers (Thimothy and Sasikumar, 2012). Another prominent stream of female migration to the Gulf region is that of health care workers, particularly from Kerala (Percot, 2006; Bindulakshmi, 2010).

Studies on female labour migration from South Asia to the Gulf region indicate that their decision (particularly for nurses) is often guided by a desire to eventually migrate to a more attractive destination, such as a Western country (Percot, 2006), and use a Gulf country as a stepping stone.

Although it is critical to analyse the changes in skill composition of the Indian labour outflows to draft meaningful policy responses, lack of published data inhibit the needed detailed analysis. Based on primary surveys conducted in some of the major labour-sending states in India, certain inferences can be drawn regarding emerging characteristics relating to the skill composition of the Indian labour flows. For instance, evidence from the 2011 Kerala Migration Survey³ indicates that nearly 69 per cent of overseas migrants had an educational qualification of class 10 or above, while the corresponding rate for the general population was 40.5 per cent (Zachariah and Rajan, 2012).

The survey report also noted that higher-educated workers have migrated in recent years, compared with the earlier situation when overseas migrants were mostly poorly educated and low-skilled manual workers. A similar trend is indicated in Goa, a union territory of India with a high level of international migration to GCC countries. Migrants from Goa have higher levels of education than the general population; for instance, 58 per cent of migrants in 2010 had, at the least, a minimum of a secondary level of education, compared with 28 per cent among the general population (Rajan and Zachariah, 2011).

Because of the limited information available on labour migration from India, the clearances granted by the Protector General of Emigrants for the Emigration Check Required (ECR) category provide some helpful insights. Such clearances are required for those who have an educational attainment below matriculation and want to migrate for employment to any of 17 countries designated as destinations for which clearance must be granted by a Protectorate of Emigrants.⁴ Even though this particular accounting does not fully estimate the labour outflow (because it only captures the number of poorly educated and low-skilled migrant workers), the data provide a useful base to understand the broad trends in labour outflows from India and some of its changing characteristics.

Table 4 depicts the labour outflows from India according to major originating states. It is evident from the available data that total outflow increased over the past decade. An overwhelming proportion (nearly 90 per cent) of migrants went to a GCC country. What is interesting is that there has been a transformation in terms of the state of origin. Although the labour outflow originating

³ It is the fifth in a series of comprehensive studies since 1998 on international and internal migration from Kerala undertaken by the Centre for Development Studies.

⁴ The 17 Emigration Check Required countries are Afghanistan, Bahrain, Indonesia, Iraq, Jordan, Kuwait, Lebanon, Libya, Malaysia, Oman, Qatar, Saudi Arabia, Sudan, Syria, Thailand, United Arab of Emirates and Yemen.

from relatively poorer states, like Uttar Pradesh and Bihar, rose substantially, the proportion of migrants from relatively prosperous states, like Kerala and Karnataka, reduced significantly. Such a transformation could be explained either in terms of the characteristics of labour outflow or the prevailing wage rate across the different states.

Although outflows of labour from poorer states are dominated by relatively less educated workers (and hence require migration clearance and are reflected in the outflow data), an increasing proportion of people migrating from states like Kerala are relatively more educated and thus remain outside the migration clearance requirement.

And although wage rates, particularly for low-skilled workers in states like Kerala are fairly high, the rates in poorer states, like Bihar and Uttar Pradesh, are much lower (see the detailed discussion in section 3.4). Such a situation may encourage low-skilled and less educated workers in poorer states to consider the option of migrating overseas in hopes of earning greater income.

Table 4. Trends in international labour migration from selected Indian states, 2005–12

| State | 2005 | 2010 | 2012 |
|------------------|----------------|----------------|----------------|
| Andhra Pradesh | 48 498 (8.8) | 72 220 (11.3) | 92 803 (12.4) |
| Bihar | 9 336 (1.7) | 60 531 (9.4) | 84 078 (11.3) |
| Karnataka | 75 384 (13.7) | 17 295 (2.7) | 17 960 (2.4) |
| Kerala | 125 075 (22.8) | 104 101 (16.2) | 98 178 (13.1) |
| Maharashtra | 29 289 (5.3) | 18 123 (2.8) | 19 259 (2.6) |
| Punjab | 24 088 (4.4) | 30 974 (4.8) | 37 472 (5.0) |
| Rajasthan | 21 899 (4.0) | 47 803 (7.5) | 50 295 (6.7) |
| Tamil Nadu | 117 050 (21.3) | 84 510 (13.2) | 78 185 (10.5) |
| Uttar Pradesh | 22 558 (4.1) | 140 826 (22.0) | 191 341 (25.6) |
| West Bengal | 5 102 (0.9) | 28 900 (4.5) | 36 988 (5.0) |
| All India | 548 853 | 641 356 | 747 041 |

Note: Figures in brackets reflect the percentage to total. Figures will not add up to 100 because the table presents migration from selected states.
Source: MOIA, 2010 and 2013.

The annual level of recorded low-skilled labour migration to GCC countries (estimated at 600,000–800,000 workers) is a small proportion of India's labour force (estimated at nearly 485 million); yet, in comparison with the annual addition to the labour force in the past two decades (at an average of 7 million to 8 million workers per year), the figure for the labour outflow is quite significant and has had a crucial role as a safety valve for the labour market. In view of the long-term changes in demographic composition and ageing of populations in most of the industrialized world and the persisting demand for migrant labour in the Gulf countries, international migration from India will continue to be an important instrument for leveraging India's demographic dividend.

Having examined the broad features of the international labour flows from India to GCC countries, our analysis moves in the next section to the emerging features of the Indian labour market to determine any link between migration outflows and labour market characteristics.



Labour market characteristics in India and international migration

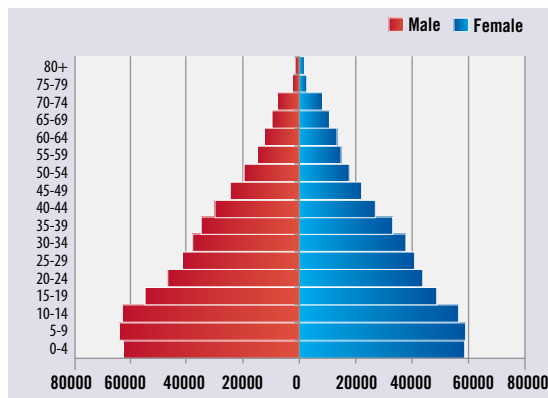
Chapter 3

3.1 DEMOGRAPHIC TRANSITION AND THE LABOUR FORCE

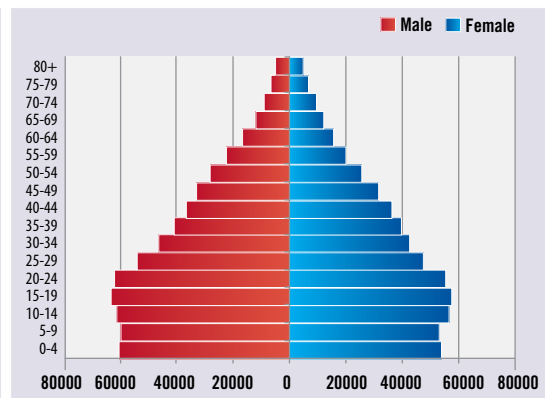
India is in the midst of a demographic transition, with declining rates of infant mortality and fertility along with longer life expectancy. The average exponential annual population growth rate declined, from 2.2 per cent during 1981–1991 to 1.6 per cent during 2001–11. The effect of this demographic transition on the labour market is apparent in the dependency ratio (proportion of people younger than 15 and older than 64 to the working age population, or those aged 15–64), which has been consistently falling (Figure 1). There is likely to be a major increase in the proportion of economically active persons in the population in the next three decades, when the dependency ratio is expected to fall continuously. This has significant implications for the labour market, both in the short and long terms. Strikingly, by 2021, nearly a quarter of India's population will be in the age cohort of 20–35 years.

Figure 1. Demographic trends in India

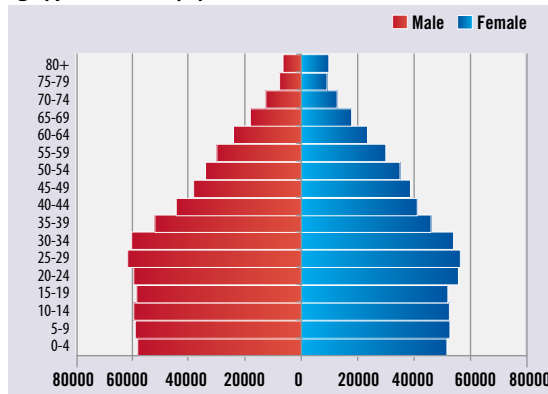
Age pyramid of the population, 2001 (in '000)



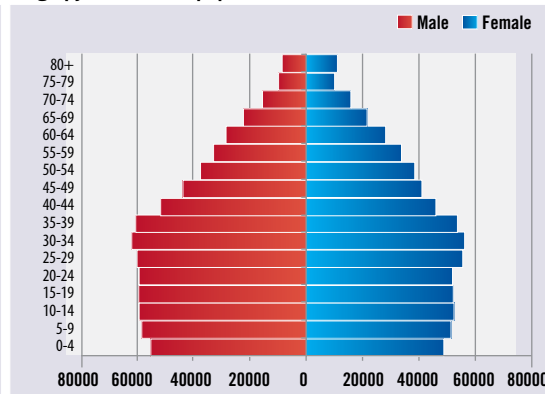
Age pyramid of the population, 2011 (in '000)



Age pyramid of the population, 2021 (in '000)



Age pyramid of the population, 2026 (in '000)



Source: Calculated with data from the Census of India: Population Projection: 2011–2026.

In recent years and despite the increasing size of the working-age population, annual additions to the labour force have declined. This is primarily due to the increasing enrolment in secondary school and higher education. Although in the short run this may ease the pressure on generating employment, in the medium to long terms, there will be increasing pressure to generate employment, both quantitatively (because larger numbers of workers will enter the labour market) and qualitatively (because those who enter the labour market will have a high educational attainment as well as a high level of aspiration and expectation from the labour market).

The labour force in India in 2011–12 numbered an estimated 483.7 million workers. After years of being consistently pegged at 43 per cent, the labour force participation rate in India fell below 40 per cent as of 2011–12, as indicated in Figure 2. Given the country's current demographic transition, it is important to understand the trends in the labour force participation rate for the working age population. The rate for the age group 15–59 years fell from 67.1 per cent in 1993–94 to 66.6 per cent in 2004–05 and then to 58.3 per cent in 2011–12. This decline in recent years was mainly due to (i) a sharp decline in the labour force participation rate of workers aged 15–29 years and (ii) a drastic fall in the female rate, which declined at double the rate for male workers.

Box 1: Employment and unemployment measurements in India

The National Sample Survey Office (NSSO) within the Ministry of Statistics and Programme Implementation has been conducting quinquennial surveys since 1972 to generate data on employment and unemployment in India. The NSSO has, over time, developed and standardized measures of employment and unemployment. The NSSO collects data using four broad measures or approaches: (i) usual principal status (UPS); (ii) usual principal and subsidiary status (UPSS); (iii) current weekly status (CWS); and (iv) current daily status (CDS).

Employment by usual principal status: Usual principal status refers to the activity in which a worker was engaged most of the time during a reference period of 365 days preceding the date of a survey. All those engaged in a principal activity for most of the period are covered under UPS employment.

Employment by usual principal and subsidiary status: Subsidiary status workers are those who are engaged in an economic activity for a shorter duration in the reference period. All those engaged in principal activity (UPS) and a subsidiary activity are included in UPSS employment.

Employment by current weekly status: All those who have performed any economic activity at least one hour on any day of the reference week of the seven days preceding a survey are included under CWS employment.

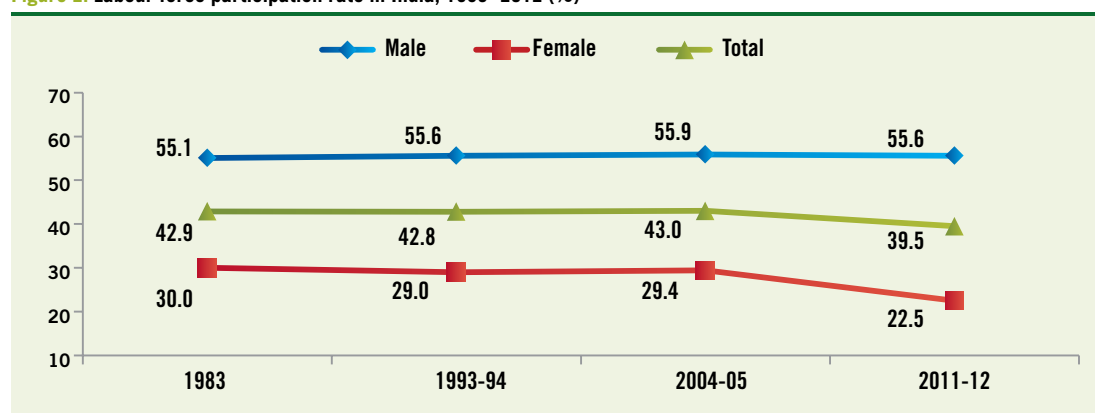
Employment by current daily status: All those who have performed at least four hours of work on any one day of the reference week preceding the survey are considered as working for a full day; they are considered as working for half day if they work at least one hour in a day. Employment by CDS refers to person days of employment—not the number of persons employed.

Unemployment: Unemployment UPS includes all those who did not find work during the major part of the reference period (365 days); unemployment UPSS refers to those who did not find work during the major or minor part of the year preceding the survey; unemployment CWS refers to those who did not find work at least for one hour in a day in the week preceding the survey; and unemployment CDS covers the days that survey respondents were not in employment for at least four hours.

The bulk of the decline in the female labour force participation rate has occurred since 2004 and mainly in the working-age cohort of 15–29 years (from 37.1 per cent to 24.4 per cent). Explanations for the declining female rate range from increasing school enrolments (Planning Commission, 2011) to improvement in the earnings of male workers, which discourages women's economic participation (Klasen and Pieters, 2012) to lack of employment opportunities at certain levels of skills and qualifications, which discourages educated women from seeking work (Chowdhury, 2011).

Additionally, there are concerns that women's work has not been appropriately captured in the data (Hirway, 2012) and concerns regarding the robustness of the surveying by the National Sample Survey Office (NSSO).

Figure 2. Labour force participation rate in India, 1983–2012 (%)



Note: Usual principal and subsidiary status employment.
Source: NSSO, various years.

3.2 STAGNANT EMPLOYMENT GROWTH

A major challenge for the Indian economy is the generation of adequate employment; employment growth during the current decade has been much lower than the rates recorded during the two previous decades (Table 5). Such deceleration in employment growth is visible across spatial and gender differentials.

Table 5. Growth of employment, by rural or urban location and sex, 1983–2012 (%)

| Years | Rural | | | Urban | | | Total | | |
|-----------|-------|--------|-------|-------|--------|-------|-------|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| 1983–1994 | 1.9 | 1.4 | 1.7 | 3.1 | 3.4 | 3.2 | 2.2 | 1.6 | 2.0 |
| 1994–2005 | 1.4 | 1.6 | 1.5 | 3.1 | 3.3 | 3.1 | 1.9 | 1.8 | 1.8 |
| 1983–2005 | 1.7 | 1.5 | 1.6 | 3.1 | 3.3 | 3.2 | 2.0 | 1.7 | 1.9 |
| 2005–12 | 1.1 | -2.8 | -0.2 | 2.5 | 1.1 | 2.2 | 1.5 | -2.0 | 0.4 |

Note: Usual principal and subsidiary status employment.
Source: NSSO, various years.

One of the major concerns regarding the Indian labour market is the relatively high youth unemployment rate, as indicated in Table 6. While the open unemployment rate (for all age groups) in India has been relatively low, the rate of unemployment among youth has been almost double the overall rate.

Table 6. Unemployment rate (current daily status), by age cohort and sex, 1993–2012 (%)

| Age | Male | Female | Total |
|--------------|------------|------------|------------|
| 1993–94 | | | |
| 15–24 | 11.4 | 10.8 | 11.2 |
| 25–34 | 6.5 | 6.7 | 6.6 |
| 35 and older | 3.0 | 4.0 | 3.3 |
| Total | 5.9 | 6.3 | 6.0 |
| 2004–05 | | | |
| 15–24 | 14.5 | 15.7 | 14.8 |
| 25–34 | 7.8 | 10.4 | 8.5 |
| 35 and older | 4.9 | 6.1 | 5.3 |
| Total | 7.8 | 9.2 | 8.3 |
| 2011–12 | | | |
| 15–24 | 12.9 | 14.7 | 13.3 |
| 25–34 | 5.4 | 7.4 | 5.9 |
| 35 and older | 2.9 | 3.8 | 3.1 |
| Total | 5.3 | 6.6 | 5.6 |

Source: NSSO, various years.

The magnitude of the problem becomes all the more evident when the unemployment rate among educated youth is factored in. The demographic composition of the population, while providing a window of opportunity, could become a serious issue if jobs of adequate quality are not made available to the increasingly educated young entrants to the labour market (Table 7).

It is clear from the previous analysis that the provision of quality employment to the increasingly youthful population is emerging as a prominent challenge in India. Although the generation of quality employment within the country is the surest means to enable sustainable livelihoods to the vast majority of the low-income and low-skilled population, it is also important to consider the role of overseas migration in reducing the pressure on domestic employment. This is particularly compelling because, unlike in most industrialized countries, the level of unemployment rates in India has a direct correlation with educational attainment. In this context, it is critical to recognize the importance of improving the skill base of the labour force in order to respond to the changing skill demand in destination countries, including those in the GCC region.

Table 7. Unemployment rate, by level of education and age cohort, 2011–12 (%)

| Education level | Age 15–29 | Age 15–59 |
|-------------------------------|--------------|--------------|
| Illiterate | 4.6 | 4.9 |
| Below primary school | 4.3 | 4.1 |
| Primary school | 7.8 | 7.4 |
| Middle school | 16.0 | 15.8 |
| Secondary school | 14.4 | 14.6 |
| Higher secondary school* | 20.2 | 20.1 |
| University graduate and above | 32.7 | 33.1 |
| Total | 100.0 | 100.0 |

Note: *includes diploma and certificate courses.
Source: NSSO, 2013.

3.3 STRUCTURAL TRANSFORMATION IN THE INDIAN LABOUR MARKET

The long-anticipated structural transformation of the labour market — the movement of employment from the less productive primary sector — has gained momentum in recent years. From around 70 per cent in the early 1980s, the share of agriculture in total employment declined to 60 per cent in 1999–2000 and to 49 per cent in 2011–12, as indicated in Table 8. The decline has been much faster in recent years: A 4 per cent decline was recorded from 2009–10 through 2011–12. However, the shift of workers from agriculture to manufacturing continues to be slow, with the share of the manufacturing sector remaining stagnant, at 11–12 per cent, for the past three decades. The bulk of the labour force moving out of agriculture has been absorbed in construction and the low-end service sector within the informal economy.

Construction has now emerged as one of the most important sectors, absorbing a large number of internal migrant workers from rural areas with little formal education. The share of construction workers in the total workforce grew from 3.1 per cent in 1993–94 to 10.6 per cent in 2011–12, which is almost equal to the proportion of workers engaged in manufacturing activities. More striking, the proportion of construction workers among the non-agriculture workforce is currently 20.3 per cent, pointing further to the significant role of construction in providing employment in the context of structural transformation.

Table 8. Share of employment, by major sectors, 1993–2012 (%)

| | 1993–94 | 2004–05 | 2011–12 |
|--|---------|---------|---------|
| Agriculture and allied activities | 64.8 | 58.5 | 48.9 |
| Mining and quarrying | 0.7 | 0.6 | 0.5 |
| Manufacturing | 10.5 | 11.7 | 12.8 |
| Electricity, gas and water supply | 0.4 | 0.3 | 0.4 |
| Construction | 3.1 | 5.6 | 10.6 |
| Trade, hotels and restaurants | 7.4 | 10.2 | 11.4 |
| Transport, storage and communication | 2.8 | 3.8 | 4.4 |
| Financing, real estate and business services | 0.9 | 1.5 | 2.6 |
| Community, social and personal services | 9.4 | 7.7 | 8.2 |

Source: NSSO, various years.

In the context of the outmigration, there is scope for more workers (including those previously in the agriculture sector) to move to foreign destinations, particularly GCC countries, to work in various occupational categories, both low-skilled (such as construction, the low-end service sector and domestic work) and medium-skilled (such as health care workers and high-end service activities). The destination countries study (which this report draws from) sheds some light on the emerging sector-specific demand for migrant workers in the GCC countries.⁵

The GCC region emerged as the primary destination for South Asia migrant workers during the 1970s and has remained the number one destination due to massive development brought about by the oil boom. Today, the GCC countries, with the exception of Saudi Arabia, have a small indigenous population in relation to their total population size, amount of natural resources and the need for human resources to meet the demands of their growth sectors. The employment situation in the private sector is a case in point. Foreign labour made up nearly 99 per cent of the private sector's labour force in Qatar (2012); 93 per cent in Kuwait (2013) and 89 per cent in Saudi Arabia (2011).⁶

The GIZ/ILO study (2015) on destination countries concluded that the GCC countries will continue facing demand pressure to keep up with their growth, causing the demand for low-skilled and semi-skilled workers from India (as well as other countries in Asia and Africa) to persist in the short to medium terms. The extent of the pressure will depend on the demographic and policy shifts in those countries. Saudi Arabia is the only GCC country that has a larger national population than foreign (32 per cent foreign compared with 94, 89 and 69 per cent in Qatar, United Arab Emirates and Kuwait, respectively).⁷ Nationalization policies combined with the increasing workforce participation of indigenous women are likely to result in labour-substitution effects as native workers take up positions occupied previously by labour migrants, reducing the demand for foreigners.

⁵ GIZ and ILO, 2015.

⁶ Ibid.

⁷ Ibid.

Despite these shifts, the population growth in the GCC countries is not likely to be adequate to create a domestic labour force capable of sustaining each country's growth patterns. The development trends of these countries suggest an overreliance on labour-intensive growth sectors, and the vast majority of the indigenous populations are not willing to work in low-skilled or semi-skilled work. The conclusion is that the demand for foreign labour migrants, including those from India, is likely to remain high in most of the GCC countries.

The patterns of growth and economic development in the labour-receiving countries are critical indicators of the likely course of demand for migrant workers. All GCC countries have made efforts to diversify their economies away from their dependency on oil and gas revenues. Kuwait, Qatar, Saudi Arabia and the United Arab Emirates have embarked on large-scale infrastructure development, such as those linked to the World Cup 2022 (in Qatar) and the World Expo 2020 (in the United Arab Emirates). In addition to construction, wholesale and retail trade, hospitality, agriculture, manufacturing, domestic service and human services (education and health care) are important sectors with an indigenous labour shortage. There are also indications that new sub-sectors, such as automobile manufacturing and “green” construction (including advanced water treatment systems and solar panels) will grow, which will require workers with specific technical and vocational skills.⁸

It is possible to indicate some future areas of demand based on economic developments, particularly because the overwhelming majority of labour demand is in the unskilled category directly related to major infrastructure projects. Thus, taking into account the major infrastructure projects planned in Kuwait, Qatar, Saudi Arabia and the United Arab Emirates in the medium term (up to 2025) and the continuation of existing demand areas, the worker categories highlighted in Table 9 are projected to remain in need of foreign labour, though in no particular numerical order or priority.

Table 9. Projected occupational categories of low-skilled or semi-skilled workers in medium-term demand, up to 2025

| Construction and maintenance of buildings | Sales and services | Domestic work | Education and health |
|---|---------------------|-----------------|----------------------|
| Construction supervisor or foreman | Driver | Domestic worker | Nurse |
| Construction worker | Cook | Housekeeper | Paramedic |
| Welder | Waiter | | Teacher |
| Plumber | Other hotel service | | |
| Electrician | staff | | |
| Air-conditioning technician | Cleaner | | |
| Tiler | Private service | | |
| Mason | Security guard | | |
| Carpenter | Gardener | | |
| Crane operator | Foreman | | |
| Maintenance engineer | | | |
| Civil engineer | | | |

Source: GIZ and ILO, 2015.

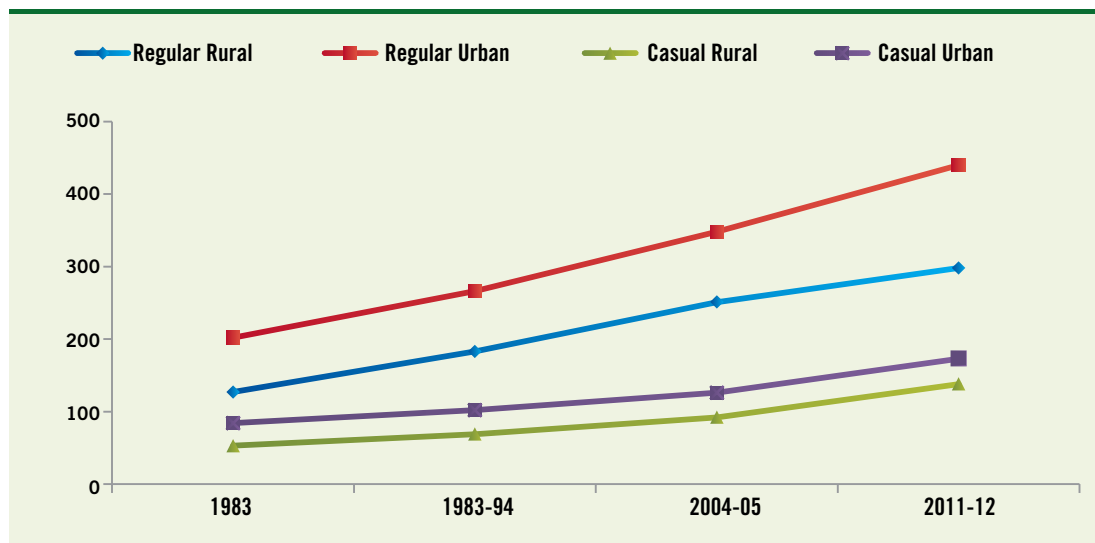
⁸ GIZ and ILO, 2015.

3.4 TRENDS IN WAGES

Because the wage differential is a critical factor determining international migration flows, we analysed certain broad trends in wages in India to understand how far the prevailing wage rates may influence migration outflows.

Our analysis of wage trends over the past three decades indicates that although the average wage rate in absolute terms has increased for regular and casual workers, the gap between the two segments has widened over time, contributing to increasing wage inequality in the labour market (Figure 3).

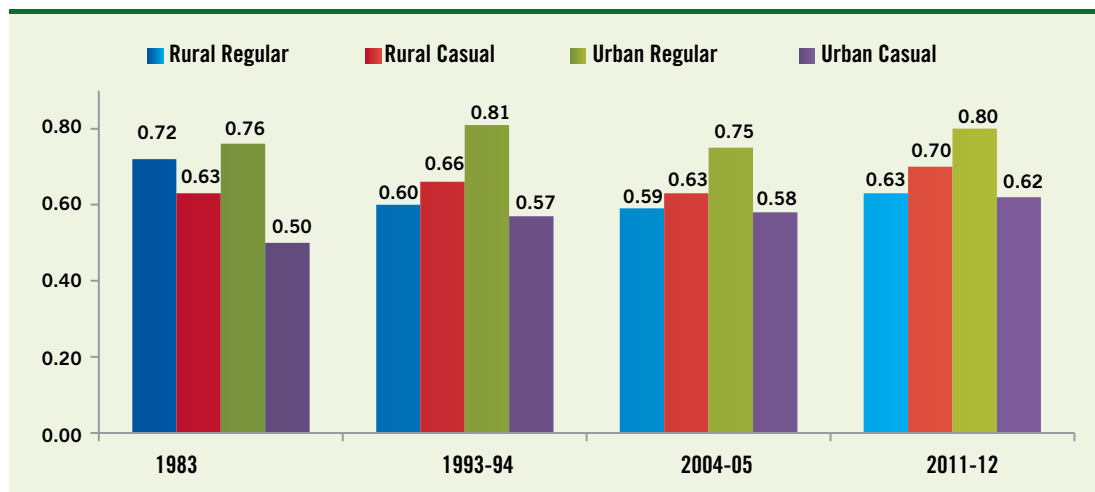
Figure 3. Trends in wages in India, 1983–2012 (in rupees)



Source: Calculated with unit-level NSSO data, various years.

Gender-based wage disparity is a prominent feature of the Indian labour market, with wide-ranging implications for the economy and society. Even though the wage gap between female and male workers seems to have declined over the past 30 years (Figure 4), female wage rates are still only 60 per cent of the male wage rate, on average, across rural-urban locales and type of formality (regular or casual).

Figure 4. Female–male wage ratios, by formality and urban or rural location, 1983–2012



Source: Calculated with unit-level NSSO data, various years.

The persistence of wage inequalities and low growth in formal employment may be contributing factors in workers' decision to migrate internationally to improve their economic well-being.

Several studies that involved analysis of regional wage differentials found great disparities across states in terms of wages for regular as well as casual workers in rural and urban areas (Karan and Sakhivel, 2008). What is particularly interesting is that wage rates in poorer states are lower when compared with the relatively prosperous states. The average casual daily wages in rural and urban areas in different states presented in Table 10 illustrates this trend. The prevalence of low wages, especially for casual workers in the poorer states, could be another factor contributing to the migration of low-skilled and semi-skilled workers to a Gulf country.

Table 10. Average casual daily wages in rural and urban areas in different states, 2011–12 (in US\$)

| State | Casual sector wages | | | |
|--------------------------|---------------------|------|-------|------|
| | Rural | Rank | Urban | Rank |
| Andhra Pradesh | 2.9 | 10 | 3.7 | 6 |
| Assam | 2.9 | 11 | 3.2 | 13 |
| Bihar | 2.7 | 14 | 3.3 | 11 |
| Chhattisgarh | 1.8 | 20 | 2.3 | 20 |
| Gujarat | 2.4 | 18 | 3.1 | 15 |
| Haryana | 4.1 | 4 | 4.2 | 4 |
| Himachal Pradesh | 3.4 | 6 | 3.5 | 10 |
| Jammu and Kashmir | 4.4 | 2 | 4.4 | 2 |
| Jharkhand | 2.8 | 12 | 3.2 | 14 |
| Karnataka | 3.0 | 9 | 3.6 | 8 |
| Kerala | 6.5 | 1 | 6.6 | 1 |
| Madhya Pradesh | 2.2 | 19 | 2.7 | 19 |
| Maharashtra | 2.5 | 17 | 3.2 | 12 |
| Odisha | 2.5 | 16 | 2.7 | 18 |
| Punjab | 4.2 | 3 | 4.0 | 5 |
| Rajasthan | 3.2 | 8 | 3.6 | 7 |
| Tamil Nadu | 3.3 | 7 | 4.4 | 3 |
| Uttar Pradesh | 2.7 | 13 | 3.0 | 16 |
| Uttarakhand | 3.6 | 5 | 3.6 | 9 |
| West Bengal | 2.6 | 15 | 2.8 | 17 |
| Coefficient of variation | 0.7 | | 0.5 | |
| India | 2.9 | | 3.6 | |

Note: As per the average exchange rate for 2011–12, US\$1=47.90 rupees.

Source: Calculated with unit-level NSSO data.



Skill supply and international migration

Chapter 4 Skill supply and international migration

The skill base of an economy, both in quantitative and qualitative dimensions, is a determinant of opportunities for decent employment, including overseas employment. In this section, we examine the defining and evolving features of the skill base in India, primarily to determine the critical policy issues in the context of managing labour migration to GCC countries.

Such an analysis assumes paramount significance because it is increasingly acknowledged that improving the skill sets of migrants is another sure way to enhance migration outcomes. Of course, possession of skills will not eliminate recruitment abuses; available evidence reveals that even skilled workers, such as paramedics, encounter insecurities in the recruitment process. Understanding the links between skills and appropriate pre-departure services could help eliminate recruitment abuses.

Overall educational attainment of the population is a common indicator for assessing the skill base. Our analysis of the educational attainment of the Indian population for the past two decades indicates that despite the prevailing bottom-heaviness, there has been significant improvement in the overall education levels (Table 11). For instance, the proportion of the population with an education above the secondary level more than doubled (from 11.2 per cent to 23.2 per cent) between 1993–94 and 2011–12.

This is important progress because a secondary education certificate is the minimum qualification for pursuing vocational education.

In a large populous country like India, the absolute population stock within the different levels of educational attainment is a better indicator to assess employment possibilities. Our analysis of government education data found that the number of persons who had completed higher secondary school or above more than doubled from 1993–94 through 2011–12.

Such a large stock of educated persons implies that even if there is tremendous growth in international labour migration from the country, it will not have substantial adverse impact at the macro level, although it may have differential sector-specific impacts. For instance, large-scale migration to foreign construction jobs may not create shortages in the domestic construction sector because of the abundant supply of workers; but the migration of a huge number of health care personnel, particularly doctors, could adversely impact the domestic health care system.

Table 11. Number and percentage of total population, by level of education, 1993–2012

| Education level | Number of persons (in millions) | | | | % distribution | | | |
|------------------------------|---------------------------------|-----------|---------|---------|----------------|-----------|---------|---------|
| | 1993–94 | 1999–2000 | 2004–05 | 2011–12 | 1993–94 | 1999–2000 | 2004–05 | 2011–12 |
| Illiterate | 443.9 | 448.0 | 432.0 | 389.4 | 49.7 | 44.7 | 39.6 | 31.8 |
| Below primary school | 159.8 | 184.4 | 197.2 | 212.3 | 17.9 | 18.4 | 18.1 | 17.4 |
| Primary school | 103.6 | 119.9 | 150.8 | 169.5 | 11.6 | 12.0 | 13.8 | 13.9 |
| Middle school | 86.0 | 113.7 | 137.4 | 168.3 | 9.6 | 11.3 | 12.6 | 13.8 |
| Secondary school | 50.7 | 67.8 | 76.4 | 121.9 | 5.7 | 6.8 | 7.0 | 10.0 |
| Higher secondary school* | 25.8 | 35.0 | 53.5 | 88.6 | 2.9 | 3.5 | 4.9 | 7.3 |
| University graduate or above | 23.6 | 34.1 | 44.0 | 73.2 | 2.6 | 3.4 | 4.0 | 6.0 |
| Total population | 893.4 | 1 002.8 | 1 091.3 | 1 223.2 | 100 | 100 | 100 | 100 |

Note: *includes diploma and certificate courses.
Source: NSSO, various years.

The general educational attainment of the working-age population (15–59 years) and particularly of youth (15–29 years) is a more useful indicator to assess the potential of the economy to expand the proportion of workers with adequate skills and thus enhance their employability. Although 35 per cent of the working-age population possesses a secondary level or above education, it is heartening to see that nearly half of persons aged 15–29 have attained an education above the secondary level (Table 12). There are more than 149 million Indians aged 15–29 years with at least a secondary education, highlighting the advantage that India possesses in terms of the overall size of its educated worker base.

Table 12. Distribution of the population (number and percentage), by level of education and age cohort, 2011–12

| Education level | Number (in millions) | | % distribution | |
|--------------------------|----------------------|-----------|----------------|-----------|
| | Age 15–29 | Age 15–59 | Age 15–29 | Age 15–59 |
| Illiterate | 43.3 | 199.0 | 13.1 | 26.2 |
| Below primary school | 22.8 | 66.0 | 6.9 | 8.7 |
| Primary school | 39.4 | 91.3 | 12.0 | 12.0 |
| Middle school | 74.5 | 135.6 | 22.6 | 17.9 |
| Secondary school | 66.4 | 114.4 | 20.2 | 15.1 |
| Higher secondary school* | 54.2 | 85.3 | 16.4 | 11.2 |
| University graduate | 23.1 | 51.6 | 7.0 | 6.8 |
| Post-graduate or above | 5.7 | 16.5 | 1.7 | 2.2 |
| Total | 329.4 | 759.5 | 100.0 | 100.0 |

Note: *includes diploma and certificate courses.
Source: Calculated with unit-level NSSO data.

The formal education sector entails a large network of institutions providing technical education at various levels. This comprises institutions under the university sector offering degree-level technical education, such as engineering, medicine, architecture and law. There are also institutions offering diploma-level and certificate course training in various trades, such as the industrial training institutes and industrial training centres. Despite substantial growth in the number of technical and vocational institutions, it is disturbing to see that only 2.7 per cent of persons aged 15–59 years and 3.4 per cent of those aged 15–29 years had received or were enrolled in some form of technical education in 2011–12.

Based on the 2011–12 NSSO Employment-Unemployment Survey data, we estimated the stock of those who had received vocational training (formal and non-formal) or were enrolled in some type of formal training at 75.8 million persons aged 15–59 years (Table 13). This means that only 17 per cent of the labour force was (or soon would be) vocationally trained in 2011–12.

Table 13. Number and percentage of persons in the labour force with vocational training, 2011–12

| | Labour force (in millions) | Estimated No. of persons with vocational training (in millions) | % |
|--|----------------------------|---|-------------|
| Yes: receiving formal vocational training | 3.5 | 3.5 | 0.8 |
| Received vocational training: formal | 12.7 | 12.7 | 2.9 |
| Received vocational training: non-formal | 59.6 | 59.6 | 13.5 |
| Non-formal: learned from relative | 20.7 | 20.7 | 4.7 |
| Non-formal: self-learned | 10.8 | 10.8 | 2.4 |
| Non-formal: learned on the job | 25.9 | 25.9 | 5.9 |
| Non-formal: other | 2.2 | 2.2 | 0.5 |
| Had not received any vocational training | 366.9 | | 82.8 |
| Nothing reported | 0.4 | | 0.1 |
| Total labour force (15–59 years) | 443.0 | | |
| Total labour force with vocational training (1+2+3) | | 75.8 | |
| Vocational training within the labour force | | | 17.1 |

Source: Calculated from unit-level NSSO data.

Even though nearly 4 per cent of the labour force in 2011–12 participated in formal vocational training, nearly 14 per cent of the labour force received some type of vocational training informally, such as from a relative, self-taught or by learning on the job.

Hence, there are two major challenges in India in terms of scaling up the employability of the labour force, both for domestic as well as for international labour markets, given the small proportion of workers who have had formal or even informal vocational training. One challenge is the need to expand the outreach and operations of formal skill development institutions to cover all regions of the country and thus remove constraints in terms of access to vocational training. Considering that a large number of those who obtain vocational training do so through non-formal means, the second challenge is the certification of non-formally acquired skills is crucial for improving the employment prospects of workers outside the formal channel.

In terms of international labour migration and skill development, two policy imperatives emerge from our analysis of the available data:

- Certification systems of the formal vocational training must be standardized, in conformity with international standards. Agreements on skill recognition can be an effective means to achieve this objective.
- In the case of skills acquired through non-formal modes, a mechanism for validating such skills

at the international level is crucial to improve the overseas employability of those persons possessing such skills.

In combining the data on general and technical educational attainment of the Indian labour force, we developed a matrix of the skill levels (Table 14), using four broad categories — no certified skill (no certified technical and no certified vocational training), low skill (no technical training but some certified vocational training), medium skill (secondary school diploma or certificate) and high skill (tertiary education degree).

Table 14. Matrix of general and technical educational attainment of Indian labour force

| General education level | Levels of technical education | | | |
|--------------------------|--|--|------------------------|--------|
| | No certified technical and no vocational | No technical but certified vocational training | Diploma or certificate | Degree |
| Primary school or below* | | | | |
| Middle school | | | | |
| Secondary school | | | | |
| Higher secondary school | | | | |
| University graduate | | | | |
| Post-graduate or above | | | | |

Note: * including illiterate; ■ not applicable; ■ no certified skill; ■ low skill; ■ medium skill ■ high skill.

Based on such a framework, we estimated the proportion of the labour force in each category of skills (Table 15). A preponderance of persons with no certified skills is evident in both age cohorts (15–59 and 15–29 years). Yet, the proportion of persons with skills is larger among workers aged 15–29, indicating that the prospect for promoting their employment, including overseas employment, is fairly good.

Table 15. Number and percentage of workers, by skill level and age cohort, 2011–12 (in millions)

| Skill level | Age 15–29 | | Age 15–59 | |
|--------------|--------------|--------------|--------------|--------------|
| | No. | % | No. | % |
| No skill | 76.3 | 52.1 | 255.0 | 57.7 |
| Low skill | 44.8 | 30.6 | 118.7 | 26.9 |
| Medium skill | 21.5 | 14.7 | 58.4 | 13.2 |
| High skill | 3.9 | 2.7 | 9.8 | 2.2 |
| Total | 146.5 | 100.0 | 441.9 | 100.0 |

Source: Calculated with unit-level NSSO data.

Because the construction sector continues to be one of the major avenues for workers seeking employment in a GCC country, we analysed the skill base of construction workers in India (Table 16). A significant proportion of workers in that sector have a low skill level, clearly indicating that an overwhelming majority of them are employed as loaders or helpers, which are jobs that require minimum skill.

Table 16. Skill level of construction workers, by age cohort and sex, 2011–12 (%)

| Skill level | Age 15–29 | | | Age 15–59 | | |
|--------------|------------|------------|------------|------------|------------|------------|
| | Male | Female | Total | Male | Female | Total |
| No skill | 67.0 | 84.1 | 68.8 | 68.8 | 89.2 | 71.9 |
| Low skill | 26.9 | 10.9 | 25.2 | 24.8 | 8.2 | 22.3 |
| Medium skill | 5.5 | 4.1 | 5.4 | 5.6 | 2.3 | 5.1 |
| High skill | 0.6 | 0.9 | 0.6 | 0.8 | 0.3 | 0.7 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

Note: Usual principal and subsidiary status employment.
Source: Calculated with unit-level NSSO data.

It is evident in the estimates relating to the type of vocational training (formal or non-formal) among construction workers (Table 17) that a significant percentage has gained skills informally, further reiterating that recognition of prior learning is central for improving the labour market outcomes as well as migration outcomes for workers. The recently adopted National Skill Qualification Framework (2013), which is competency-based and outcome-based, aims to facilitate the recognition of prior learning — something lacking in the present education and training scenario. Additionally, a large majority of Indian qualifications are not recognized internationally and vice versa (Ministry of Finance, 2013). Such a scenario calls for aligning Indian qualifications with international norms and qualifications, which will ease the international mobility of workers.

Table 17. Type of vocational training among construction workers, by age cohort and sex, 2011–12 (%)

| Training | Age 15–29 | | | Age 15–59 | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Male | Female | Total | Male | Female | Total |
| Formal | 2.4 | 1.8 | 2.3 | 2.0 | 1.1 | 1.8 |
| Non-formal | 13.3 | 6.8 | 12.6 | 13.7 | 5.1 | 12.4 |
| No training | 84.4 | 91.4 | 85.1 | 84.4 | 93.8 | 85.8 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Note: Usual principal and subsidiary status employment.
Source: Calculated with unit-level NSSO data.

Another issue of concern, in addition to the small share of women engaged in economic activities, is women's engagement in subsectors outside the formal economy, which are less remunerative and have limited options for social security. This situation seems to prevail in many countries, particularly perhaps because domestic work as a sector provides employment to so many women from low-income households. The International Labour Organization (ILO) (2013) estimated that women globally accounted for about 83 per cent of domestic workers in 2010.

India is not an exception to this phenomenon. According to 2011–12 NSSO estimates, 3.9 million people in India were engaged as domestic workers; 2.6 million of them were female (Eluri, 2013). Because domestic workers are often undercounted in labour force surveys, these figures are conservative estimates and are likely to understate the true extent of domestic workers.

We do not have conclusive evidence to argue that an increasing share of women in domestic work is reflected in the outflow of female workers migrating from India to a GCC country. However, anecdotal evidence indicates such a phenomenon, at least in states and localities where migration links are stronger. Social and economic disadvantages and migration networks may be providing the necessary impetus to women to try their employment luck abroad as domestic workers.



Processes for matching the demand and supply of labour migrants

Chapter 5

This section examines the processes in India for matching the labour supply with the labour demand in destination countries. Questions addressed include: Which are the modalities and systems involved in assessing the emerging demand for skills in the destination countries? What are the practices and strategies for determining the requisite supply of labour according to different skill sets demanded? What are the policy imperatives to facilitate the appropriate matching of skills and thus improve the migration outcomes for workers?

There are essentially two stages within the migration cycle in which skills and their matching gain significance: during the pre-departure stage, to ensure that jobs are commensurate with skills, and during the return phase, to ensure that the skills acquired are appropriately used, either in the re-integration phase at the country of origin or during remigration episodes to different destinations. To present the issue in perspective, we start with an overview of the legal framework that governs worker recruitment in India.

LEGAL FRAMEWORK FOR RECRUITING WORKERS FROM INDIA

The Emigration Act, 1983, which specifies the legal framework for international labour migration from India, contains several provisions to facilitate the recruitment of Indian workers abroad on the best possible terms and conditions of employment. As per those provisions, only recruiting agencies possessing a registration certificate issued by the Protectorate General of Emigrants can recruit people for overseas employment. The certificate is granted after taking into account, inter alia, the recruiting agent's "financial soundness", "trustworthiness", "adequacy of premises" and experience in the field of handling overseas labour recruitment and after obtaining a bank guarantee of US\$33,058.⁹

In 2013, 1,439 recruiting agencies had a registration certificate (MOIA, 2013). Recruiting agents are required to procure from each foreign employer a job demand letter, a copy of the contract and power of attorney status before placing a job advertisement. The registration certificate number of the recruiting agent is to be included in the advertisement to help avoid unscrupulous activities. Workers who will be required to obtain clearance to migrate will need to have their employment contract attested by a Protector of Emigrants. The focus of the Emigration Act is the regulation of recruitment agents' operations as a way of protecting migrant workers.

⁹ As per the average exchange rate for 2013–14, US\$1=60.50 rupees.

A key provision of the Emigration Act is the ceiling imposed on recruitment fees, ranging in 2013–14 from US\$33 for “unskilled” workers and US\$50 for semi-skilled workers to US\$83 for skilled workers and US\$165 for other categories. Such limits are set primarily to keep the cost of overseas migration, especially for low-skilled workers, within reasonable limits and to protect workers from excessive profit-making propositions of recruiting agents.

Both these objectives have not been realized for a variety of reasons. To begin with, the recruitment fees are not in line with the demand and supply of workers and are affected by non-market factors, like the *kafala*, or sponsorship system, in use in GCC countries.¹⁰ In most labour-sending countries, including India, the pool of potential overseas workers outstrips the demand in the countries of destination; in many instances, the recruiting agents are required to make payments to employers for obtaining placement orders (Sasikumar and Hussain, 2008). The amount demanded can vary according to the number of labourers hired, salary offered, supply conditions and so on. Such increases in expenditure by a recruiting agent are directly transferred to prospective migrants.

5.1 OBTAINING INFORMATION DURING THE PRE-DEPARTURE PHASE

The first step in the matching process is to obtain information on the labour demand. One major void in the management of international labour mobility in India is the lack of information available to workers and recruiters on the emerging labour demand in destination countries as well as changes in their immigration policies. The Government of India has no system to collect such vital data and information. The absence of this information makes policy responses often perception-based rather than evidence-based. An attempt was made in a recent India–European Union project¹¹ to assess the emerging skill demands in a few European countries. Similarly, the larger GIZ/ILO countries-of-destination study (which this report draws from)¹², analysed the demands for migrant workers in the GCC countries and in Malaysia, but more detailed studies are needed to gauge the demand for migrant workers in the short, medium and long terms.

This information gap needs to be filled on a continuous basis, especially because GCC labour markets are experiencing major structural transformations, particularly in terms of increasing use of advanced technologies and corresponding changes in the skills and qualifications expected of

¹⁰ The system ensures that there is a constant supply of migrant workers while they remain temporary residents in the country. Under the *kafala* system, *kafeels*, or sponsors, recruit workers, either directly or through intermediaries, such as recruitment agencies, according to permits granted by the respective ministry in the applicable Gulf country. The sponsor is supposed to pay a commission to a recruiting agency for the recruitment of foreign workers. All other fees, including visa, work permit, residency fee, air fare and insurance, are supposed to be paid by the employer. The worker is meant to work for one employer only. However, in recent decades, *kafeels* are only nominally involved in the employment of foreign workers. They allow their names to be used to sponsor foreign workers in exchange for a monetary payment. Intermediaries, typically nationals of the origin country, organize the transaction. Because migrants from origin countries are willing to pay for a visa to work in a Gulf country, the *kafeels* started making enormous profit through “visa trading”. The practice of visa trading is more common in the case of low-skilled and semi-skilled workers.

¹¹ See www.india-eu-migration.eu/.

¹² GIZ and ILO, 2015.

workers. This is most pronounced in construction and service activities (such as education, health care and domestic work), which employ a large share of Indian migrant workers. Information on the emerging skill requirements is also critical for policy-makers dealing with migration management and for vocational and other training institutions that teach skills that are in demand in overseas labour markets.

5.2 ROLE OF PRIVATE AGENCIES IN SKILL MATCHING

A major development in the international labour migration flows, which is also evident in India, is the proliferation of private institutions and agencies — such as recruiting agents, travel agents, educational consultants and private skill development institutions — facilitating the process. These institutions and agencies are either regulated by the Government (such as the private recruiting agencies) or they operate informally outside governmental control. This section looks at the operation of such agencies in matching demand for migrant labour in GCC countries with the Indian labour supply.

Over the years, informal methods have evolved for gathering information on the labour demand in destination countries. One method commonly used by licensed recruiting agents is direct contact with potential employers in the destination countries. Strong links have been established between recruiters and certain employers, and those recruiters have become specialized in recruiting workers to certain sectors and countries.

Interviews are often arranged by recruiting agents on behalf of representatives of employers interested in hiring Indian workers. Such interviews are arranged for the recruiting of migrant workers in all skill categories. More often than not, these interviews are conducted in major cities, like Mumbai and Delhi, and usually take place when a group of workers are to be recruited.

During our field work, we interviewed a prominent licensed private recruitment agency in Mumbai who had recently arranged an interview process through which a hotel chain employer from the United Arab Emirates had recruited nearly 400 migrant workers across all skill levels and categories — from chefs and lobby managers to helpers — to staff one of its new ventures.

In some instances, representatives of private skill development institutions, particularly those imparting training in trades requiring low- and medium-end skills, use recruiting agencies as a way to establish contact with employers in destination countries. In some instances, the curriculum of certain courses offered by institutions are designed or modified in accordance with the emerging skill needs in GCC countries. Sometimes, private skill development institutions also establish direct contact with potential employers. This is most pronounced in the case of private facilities, such as hotel management training institutes, which offer training for jobs considered low to medium skilled and which connect with small hotels and restaurants in GCC countries to supply the required personnel.

There are also instances when employers contact potential migrants directly and offer to cover their skill needs. This is done mainly by issuing advertisements in national and regional newspapers. Prominent employers also visit skill development institutions to recruit skilled workers. This was particularly reported in the recruitment of paramedical personnel; the employers (primarily big hospitals in GCC countries) have a strong relationship with private hospitals in India that offer nursing courses.

Our interviews with senior functionaries of the government-run industrial training institutes, which are responsible for basic vocational training in India, revealed that there are no links between those institutions and potential overseas employers. The absence of such networking forces students passing out of these institutions and wanting to work abroad to depend on private recruitment agencies for any information on the skill demands in GCC countries.

Our analysis also found that the curriculum-setting standards, particularly in institutions that specialize in basic skills, do not consider emerging skill demands in major migrant-receiving countries as a factor when finalizing their course content for different trades. Because of the absence of such consideration, the basic skill standards and certification systems in India are not in sync with the standards in destination countries (Box 2). This was reported not only in the context of migration from India to GCC countries but even in the migration of high-skilled workers from India to other industrialized countries.

Box 2: Three migrant workers, three different recruitment experiences

Banu, a prospective migrant, does not have any certified skills in construction-related trades other than the experience of working with a construction firm in India. However, because he is determined to migrate to a Gulf country, he has been in touch with a private recruitment firm, which promised him foreign employment.

Shyam, who holds an engineering degree in information technology (IT) from a reputable university and has years of work experience. He applied for the post of an IT consultant that was advertised by an employer in a GCC country. For him, things were relatively easy because of his skill level.

The case of Vikrant is in between the other two men. He has a secondary school diploma but has no work experience. He had huge problems initially because several employers failed to value his qualification. Finally, he had to depend on a recruiting agent to locate a company that would accept his qualification and experience and arrange the necessary papers for him.

Anecdotal evidence indicates that private recruitment agencies have a large role in facilitating the migration of basic-skilled workers, while high-skilled workers take a proactive role in arranging their own overseas employment. This indicates the need for a better policy framework to manage the operation of private recruitment agencies because low-skilled workers have a higher probability of ending up in vulnerable employment in overseas destinations and that likely will negatively affect their migration outcome.

Interview in Hyderabad, Telangana, 6 Oct. 2014.

The Emigration Act prohibits the deployment of subagents or commission agents within the migration system (section 10 (VII), Emigration Rules, 1983). Yet, as pointed out previously, it is common to find an agent or a set of agents involved in connecting a prospective migrant to a registered recruiting agent. Usually, these subagents work at the village level, searching for potential migrants; sometimes they target households and lure workers into migrating, citing the possibility of improving their economic position or obtaining a better job with a specific qualification (Box 3).

Box 3: Subagents target schools and hospitals to find potential migrants

According to Manu, a recruitment agent, there is a vast network of subagents, engaged by agents, who visit various educational institutions, such as polytechnics or industrial training institutes, and seek out individuals who want to migrate to a foreign destination. It is also not uncommon to target hospitals, where they seek out health care professionals, particularly nurses, open to opportunities in foreign destinations. Interestingly, they target better-performing students or workers, convince them of the economic benefits of migration and offer to provide them all financial and logistical support for the migration journey. The agents may even assist in obtaining the passport, visa, work permit and attestation of certificates, and they may provide certain contacts at the destination. There are also instances in which the recruiting agent steps in to help migrant workers who experience difficulties at the destination.

Interview in Mumbai, Maharashtra, 4 Aug. 2014.

In India, the Protectorate General of Emigrants is authorized to deal with the complaints of migrant workers. Complaints against registered recruiting agents are handled with the help of the Protector of Emigrants and Indian Mission officials in a destination country. Complaints against unregistered agents are referred to the respective state government for investigation and appropriate action. Recruiting agents are required to obtain the job demand letter, power of attorney and a copy of the employment contract from the foreign employer for recruiting a worker and obtaining the overseas migration clearance. The employment contract must specify the basic terms and conditions of employment, including salary, accommodation, medical coverage and transport arrangements. For vulnerable categories of workers, such as labourers or women with no certified skills who are older than 30 years, the employment documents are required to be attested by the Indian Mission in the destination country, and migrant workers need to produce documents showing they are covered under the required insurance scheme.¹³ Additional conditions are imposed by the Government in some cases. For example, an advisory has been issued to all Protector of Emigrants to grant migration clearance for domestic workers headed to Kuwait only after confirming that each applicant wants to work at the residence of the sponsor and is clearly aware that if they violate the conditions of their visa they will face imprisonment or deportation.

¹³ Introduced in 2003, Pravasi Bharatiya Bima Yojana is a compulsory insurance scheme for all Indians aged 18–60 years seeking overseas migration clearance for employment. The policy is valid for a period of two years or the actual period of a contract, whichever is shorter. The scheme includes several features: (i) an insurance coverage of a minimum of US\$16,529, payable to the nominee or legal heir in the event of death or permanent disability. The insurance will also take care of the cost of transporting a dead body; (ii) medical insurance coverage of a minimum of US\$1,240 for hospitalization of the insured worker for accidental injuries or sickness occurring during the period of insurance, whether in India or in the country of employment; (iii) one-way airfare if the migrant worker is not received by the employer or if there is any substantive change in the job offer or if the employment is prematurely terminated during the contract period for no fault of the migrant; and (iv) provision to extend maternity benefits for women migrants and health insurance coverage for workers' spouses and two dependants staying in India (see MOIA, www.moia.gov.in, accessed on 2 Feb. 2015).

The process can work in reverse fashion. Sometimes prospective migrants may approach a recruitment agency to learn about employment in foreign destinations and then seek out a particular skills course. For example, since the privatization of technical education and thus an increase in the availability of such colleges, there has been an increase in the number of young people with qualifications in nursing or engineering. Nonetheless, many individuals invest in education, with the objective of migrating abroad, but their standard of skill or qualification may not be appropriate. In many cases, they migrate to a destination and an occupation not directly related to their education. Instead of having a system in which young people are provided skills that are in demand, the majority of young migrants either enter the labour market in the destination country in an occupation not commensurate with their skills or are forced to upgrade their skills (Box 4).

Box 4: Overemphasis on regulating recruitment

Various individuals facilitating international labour migration expressed concern about the overregulated recruitment process in India. For instance, the classification of overseas migrants into clearance-required and non-clearance required categories intensifies the vulnerability of workers, increasing their dependence on recruiting agents to arrange additional documents. Although the Government has specified the amount to be charged by agencies as recruitment fees, that amount has not been revised for several years, and agents tend to charge higher rates in actual practice. Mahendran in Uttar Pradesh, for example, attempted to migrate to Saudi Arabia as an electrician in 2013. Despite paying around US\$1,322 to a recruiting agent, he has yet to leave India, allegedly because the agent encountered problems in proving the authenticity of Mahendran's skill certificate. Having paid the hefty amount, Mahendran is now at a loss about whom to complain against because he cannot trace the subagent who was his contact person.

Further inquiries during the field research revealed that several job seekers in Mahendran's locality also wanting to migrate to a Gulf country have experienced a similar situation. With the migration landscape rapidly changing in most migrant labour-receiving countries, including the Gulf region, skills and their certification are becoming highly important. And with no job demand-related information available at the local level, recruiting agents and job seekers are experiencing difficulties. There is a need to develop an institutional set-up that is efficient and faster in sending information on changes in the labour market and immigration policies in destination countries to countries of origin. The administrative structure to manage international mobility needs to facilitate migrants in arriving at a well-informed decision rather than focusing only on regulating recruitment.

Interviews in Azamgarh, Uttar Pradesh, 5 Aug. 2014.

In addition to offering information on migration prospects abroad, private agencies also provide other services to migrant workers, making them an efficient option for facilitating overseas migration. For example, several recruitment agencies provide logistical support in raising the required finances to meet the expenses of travel. This could be by arranging loans through formal or informal channels. A major criticism against recruitment agencies is this grey relationship with moneylenders that increases the vulnerabilities of migrant workers manifold (Rajan, Varghese and Jayakumar, 2011). Several cases have been reported in which migrant workers were forced to work in deplorable conditions because of the huge debt burden incurred during the pre-departure phase (Thimothy and Sasikumar, 2012). This primarily arises because recruitment agencies charge exorbitant rates for various services offered, and migrants, particularly low-skilled workers, are unaware of the limits set by the Government for such services.

The majority of recruitment agencies have strong networks in countries of destination, including with recruiters or employment agencies or both. Post-arrival services for migrants are not legally binding. However, several private recruiting agencies voluntarily offer such services to increase their business. The normal course followed by recruiting agents is to assist migrant workers to procure their work permit, visa and air ticket. In certain cases, they also arrange the attestation of certificates required of workers.

Informal sources, such as social and religious networks, continue to have an important role in perpetuating migratory flows. This could be the provision of information on employment opportunities abroad, facilitating the acquisition of necessary qualifications or experience and helping with the legal documents required for foreign jobs. This is definitely a major reason for the consistent flow of labour migrants from certain regions, religions, communities or occupational categories in India to the Gulf region. An example is the large-scale international migration of health care workers from Christian communities in the State of Kerala (Percot and Rajan, 2007). Similar is the case of large-scale migration of low-skilled workers from the northern districts of Kerala (Malappuram, for instance) or the migration of female domestic workers from certain districts of Andhra Pradesh (such as Kadapa and Anantapur).

5.3 ROLE OF THE GOVERNMENT IN SKILL MATCHING

In India, the responsibility of managing international labour flows primarily rests with the Ministry of Overseas Indian Affairs. The Ministry offers a range of services to international migrants as well as their family members to cope with the vulnerabilities at different stages of the migration cycle. Recognizing the increasing importance of skill acquisition within the framework of international migration, the Ministry of Indian Overseas Affairs recently launched innovative schemes to link skill development with the international labour outflows.

One of the most important initiatives is the Swarna Pravasi Yojana, with three primary objectives: (i) position India as a preferred source country for skilled and trained workers in select sectors that face skill shortages in the international labour market and in which India enjoys competitive advantage; (ii) diversify India's destination country base with a focus on geographies or countries that are expected to experience skill shortages and are of strategic interest to India; and (iii) enhance the employability of Indian youth by providing training and certification that are internationally recognized to enable young workers to move up the wage chain. As a part of this initiative, the Ministry of Indian Overseas Affairs is also implementing certain skill-upgrading programmes in north-eastern states of India by focusing on enhancing the skills of youth to improve their overseas employment prospects in such sectors as health care, hospitality and education.

The Ministry of Indian Overseas Affairs provides information on migration-related issues through different mediums — print (newspaper advertisements, booklets, leaflets and brochures) and electronic media, workshops, seminars, focus group discussions and awareness campaigns. Awareness campaigns caution migrants on the risks of migration through illegal channels and inform them of legal routes, the formalities involved and helpline numbers where reliable information can be obtained. The campaigns primarily focus on labour migration to the Gulf region because it is where most labour abuses take place.

Apart from the conventional forms of advertisements, other methods relied upon to provide migration information include a 24-hour helpline and walk-in counselling facilities operated by Overseas Workers Resource Centres (currently operating in Kochi in Kerala, Hyderabad in Andhra Pradesh and Panchkula in Haryana), both functioning under the Ministry of Indian Overseas Affairs.

An important issue to be tackled is the need to provide pre-departure orientation. In India, pre-departure orientation is not mandatory for migrant workers. At the state level, limited attempts have been made to facilitate migration by providing information on job prospects abroad and offering pre-departure information to prospective migrants that could enhance migration outcomes, as indicated in Box 5. But such services offered by state-sponsored agencies or civil society organizations are sporadic and do not reach the most needy of migrants.

Box 5: Good government practices in skill matching

Commendable efforts have been initiated at the regional level within India, particularly in heavy-migration pockets, to facilitate overseas labour migration. Efforts by the state governments in Kerala and Andhra Pradesh, two prominent outmigration states, deserve special mention. In Kerala, the state government set up a public recruitment agency, the Overseas Development and Employment Promotion Consultants Ltd, in 1977. The agency promotes foreign employment by better job matching services and provides guidance on education and information on visa formalities and travel regulation to prospective migrants. To ensure the welfare of non-resident Keralites, the Kerala government set up the Non-Resident Keralites' Affairs (NORKA) Department in 1996. NORKA-Roots, its field agency, was set up in 2002 as a liaison between non-resident Keralites and the state government. Activities include conducting pre-departure orientation programmes, recruiting workers, facilitating skill upgrading, attesting educational certificates of migrant workers and assisting in the resettlement and reintegration of returned migrants. The government of Andhra Pradesh also launched a recruiting agency, the Overseas Manpower Company Andhra Pradesh Ltd, to provide training to workers as per international standards, facilitate skill testing and certification and extend pre-departure orientation programmes to familiarize workers with overseas working conditions.

5.4 IMPROVING RECRUITMENT PRACTICES

Some innovative methods have been adopted or attempted to improve the migration clearance process. For instance, India and the United Arab Emirates jointly have envisaged a common system of documentation validation through a web-based attestation procedure (MOIA, 2013). When completed, this will facilitate foreign employers in filing employee requirements online. The Protectorate General of Emigrants and the Protectors of Emigrants can access the database through authorized user IDs and passwords. The attestation procedure includes registration of employers, online filing of job demands, online receipt of documents from the Indian Mission, filing the details of selected employees and then filing the record of the migration clearance by a Protector of Emigrants.

The procedures will not only provide employer data, verification of attestation by a Protector of Emigrants and implementation of a model employee contract but also offer a system of grievance redress and resolution of labour disputes. A protocol for this system was signed between the

Ministry of Labour in the United Arab Emirates and the Ministry of Indian Overseas Affairs in 2012 but has not been implemented as yet. Other recent changes introduced by the Ministry in providing overseas migration clearance include retracting the Emigration Check Requirement¹⁴ to enable migration clearance-required passport holders to travel on visit visas without obtaining any clearance from a Protector of Emigrants. This has eliminated a major avenue for rent seeking and harassment in the system.

The Ministry of Indian Overseas Affairs recently established a comprehensive e-governance project to enhance the capacity of administrative machinery to ensure the protection and welfare of overseas migrants. The project aims to simplify different processes in the migration cycle and improve their effectiveness. The project has created an electronic platform to bring together recruiting agents, the contract attestation system, the overseas migration clearance system and the complaint management system. In the future it will also enable evaluation of the services. Linking Indian Missions abroad, insurance companies and state governments in a phased manner is also envisaged. This project is expected to reduce corruption, malpractices and irregular migration and thereby facilitate legal and orderly migration.

The Ministry of Indian Overseas Affairs also has initiated preparatory work to introduce the Emigration Management Bill in Parliament to repeal the existing Emigration Act and thus facilitate better management of overseas migration. This new law is intended to facilitate more legal migration, discourage irregular migration, enhance the protection and welfare of overseas migrants, encourage ethical recruitment practices, enable market-friendly regulations of recruiters and provide more deterrent penalties against crimes, such as human trafficking.

Additionally, there are several new initiatives by the Government of India and governments in GCC countries to protect the rights of both employers and migrant workers and to regulate the contractual relations between them. One of the most recent initiatives is the Agreement on Labour Cooperation for Domestic Service Workers Recruitment between the Ministry of Overseas Indian Affairs and the Ministry of Labour in Saudi Arabia. The agreement promotes a standard employment contract for domestic workers and aims to control recruitment costs in both countries.

5.5 RETURN AND RE-INTEGRATION OF MIGRANTS

Considering the changes in the immigration policies of countries, the return and reintegration of migrant workers is gaining paramount importance. India has several programmes to promote the welfare of returned migrants. For example, the Financial Services Division of the Ministry of Indian Overseas Affairs provides a range of options to migrants, including returned migrants, wanting to make investments in the country. With the help of the Overseas Indian Facilitation Centre, the division offers information and guidance on a variety of subjects related to investment policies,

¹⁴ This provision required persons holding an ECR passport and travelling overseas for non-employment purposes to obtain certain clearances from Protector of Emigrants offices.

emerging investment opportunities and other financial services. In addition, the Overseas Indian Facilitation Centre, a non-profit trust, in partnership with the Confederation of Indian Industry, provides investment facilitation and information resources for Indians living overseas.

The Government also initiated several measures to facilitate and reintegrate migrant workers returning due to unexpected events at the destination, such as the *nitaqat*¹⁵ issue in Saudi Arabia. In July 2013, Saudi Arabia regularized 4 million immigrants, of which 1.4 million were Indians — around 434,667 transferred their services from non-*nitaqat*-compliant business units to compliant units; 481,233 changed their profession; 470,000 renewed their *iqama* (job permit); and 141,301 Indians took advantage of the grace period the *nitaqat* policy offered and returned to India (Hussain, 2014). The Indian Government responded proactively in providing emergency certificates that enabled affected Indian workers to return to India and introduced special reintegration packages. The government of Kerala, the state that sends a large number of migrants to Gulf countries, initiated several measures to integrate the returned migrants, beginning with creating a database of returnees and offering loans at subsidized rates to set up business ventures.

Lack of certified skills has become a major issue when a migrant who has returned attempts to re-migrate (Box 6). Several cases were encountered in our fieldwork in which returned migrants who wanted to re-migrate were upgrading their skills or qualification.

Box 6: Increasing importance of certified skills

With the migration situation becoming more competitive, there is increasing value attached to both skills and experience. Ramesh, for example, could easily migrate to Saudi Arabia during the late 1990s, armed with a strong determination to work hard and take risks, even without any prior experience in construction. However, things changed quite fast. Although he could earn reasonably well, by 2000 his career mobility stagnated with the influx of workers with better certified skills. By the end of 2012, he was forced to return to India because his salary structure and working conditions were not satisfactory. When returning to India, he was under the impression that he could re-migrate to some other country after a year. But when he started to look for overseas employment in 2013, he realized to his surprise that although employers gave his experience some value, they were looking for someone with certified skills. Ramesh has enrolled in a short-term course to certify his work experience.

Interview in Kochi, Kerala, 20 Sep. 2014.

Discussions with officials associated with the migrant re-integration programmes indicate that a major hurdle in the effective implementation of the various schemes is the lack of requisite data, particularly relating to skills that are in demand. A powerful way to tackle such a limitation is to encourage voluntary registration of details by migrants who intend to avail of various services. It is also important that such voluntary registration is done on a continuous basis rather than an ad hoc manner, as and when the scheme is pronounced.

¹⁵ A new wave towards nationalization was initiated by Saudi Arabia in 2011 through the *nitaqat* scheme, which aims to reduce dependence on foreign workers and to resolve rising unemployment among nationals. Other motives to introduce *nitaqat* include curtailing of irregular migration, curbing the outflow of remittances and reducing the burden on subsidized utility services, such as infrastructure.

Unlike the case of several major labour-sending countries in South Asia (such as Sri Lanka), the response of social partners in India to the reintegration of migrant workers appears to be rather lukewarm. In Sri Lanka, associations of returned migrant workers have been active in facilitating migration and reintegration of migrant workers (Dias and Jayasundere, 2002).

It is only through focused measures that the knowledge and skills of returned migrants can be meaningfully used in their country of origin. Returned migrants can also be provided proper guidance to upgrade their skills for employment back home and thus to facilitate their reintegration or to facilitate their re-migration.

5.6 BILATERAL COOPERATION: MOUs BETWEEN INDIA AND DESTINATION COUNTRIES

To formalize agreements with destination countries and extend the protection of migrant workers, the Government of India has entered into ten memoranda of understanding (MOUs) on labour migration since the mid-1980s (Table 18).¹⁶ Most of the MOUs were developed with countries with which India already had long-running migration flows (both in terms of stock and flow).

A 2012 analysis¹⁷ of these MOUs concluded that although not specifically articulated, they seemed to apply to all workers but especially low-skilled and semi-skilled workers, such as those workers who have to go through the Emigration Check Required process. Interestingly, with the exception of the 2014 MOU with Saudi Arabia, there is not one single reference to women workers in any of the MOUs. There is mention in some MOUs of categories not covered by labour laws (among which would be migrant domestic workers, who are predominantly women), but these categories are not specified.¹⁸

According to the Ministry of Overseas Indian Affairs, the MOUs each reflect five broad principles:¹⁹

- declaration of mutual intent to enhance employment opportunities and for bilateral cooperation in the protection and welfare of workers;
- the host country to provide measures for the protection and welfare of workers in the formal sector;
- statement of the broad procedures that foreign employers will follow to recruit Indian workers;
- the recruitment and terms of employment are to conform with the laws of both countries; and
- a joint working group is to be constituted to ensure implementation of the MOU and to meet regularly to find solutions to bilateral labour problems.

When analysing the India MOUs against these broad principles, Wickramasekara did not find much evidence that they and other agreements on labour migration had contributed towards improved governance of labour migration between India and the destination countries or that they had significantly improved the protection of low-skilled Indian workers. Wickramasekara further concluded:

¹⁶ In addition, the Government signed labour mobility partnerships with European Union member States and social security agreements.

¹⁷ Wickramasekara, 2012. This analysis covers all the MOUs listed in Table 17, with the exception of the 2014 MOU with Saudi Arabia on migrant domestic workers.

¹⁸ Ibid, p. 12.

¹⁹ MOIA, 2011a, pp. 18–19; Wickramasekara, 2012, p. 17

“There has not been any concrete follow-up on the provisions of the MOUs after initial signing. The Joint Working Groups proposed in the MOUs for monitoring and follow up of these agreements are virtually non-functional or non-existent. Above all, the lack of enforcement and monitoring mechanisms and the continued predominant role of the private sector employers, and recruitment agencies and sponsors in hiring and control of workers mean that the MOUs have hardly any impact on the situation of the average low- and semi-skilled Indian migrant worker.”²⁰

According to Wickramasekara, the MOUs seem to apply to all low-skilled and semi-skilled workers. With the exception of the 2014 MOU with Saudi Arabia on domestic workers, there are no references to specific occupations or skills. However, in all cases, joint committees have been proposed to monitor and follow up on the MOUs. The functions expected are more or less common across the MOUs; one of which is to “review employment opportunities in the destination country and availability of corresponding skills in India”.²¹ Although this is a relevant provision in the context of this study, it is clear that there are no efforts to match existing skills with demand under the framework of the MOUs because these joint committees and meetings only exist on paper.

Table 18. MOUs signed by the Government of India with destination countries

| Title of MOU | Date signed | Objective of the MOU |
|---|------------------|---|
| Agreement concerning the organisation of manpower employment between the State of Qatar represented by the Ministry of Labour and Social Affairs | 11 April 1985 | Strengthen understanding and cooperation between the two countries Organize the entry of Indian labourers |
| Memorandum of understanding on manpower employment between the Government of India and the Government of the Hashemite Kingdom of Jordan | 22 October 1988 | Strengthen understanding and cooperation between the two countries, further develop their relations and regulate human resource issues |
| Memorandum of understanding on labour, employment and manpower development between the Government of the State of Kuwait and the Government of the Republic of India | 10 April 2007 | Foster bilateral relations Strengthen cooperation in labour and employment and human resource development |
| Additional protocol to the agreement between the and the State of Qatar on the regulation of the employment of Indian manpower signed on 11 April 1985 | 20 November 2007 | |
| Memorandum of understanding between the Government of the United Arab Emirates and the Government of India in the field of manpower | 13 December 2006 | Enhance the existing friendly relations between the two countries by developing cooperation in the field of human resources, based on the principles of mutual benefit Recognize the benefits to be derived by both countries from close cooperation in the field of human resources |

Wickramasekara, 2012, abstract http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2032136.

Wickramasekara, 2012, p. 17.

| Title of MOU | Date signed | Objective of the MOU |
|--|-------------------|---|
| Memorandum of understanding between the Ministry of Overseas Indian Affairs in India and the Ministry of Manpower in the Sultanate of Oman | 8 November 2008 | Enhance the existing friendly relations between them by developing cooperation in the field of human resources, based on the principles of mutual benefit Recognize the benefits to be derived by both countries from close cooperation in the field of human resources |
| Memorandum of understanding on the employment of workers between the Government of India and the Government of Malaysia | 3 January 2009 | Establish a framework relating to the employment, protection and welfare of workers from India who intend to work in Malaysia and the workers from Malaysia who intend to work in India |
| Memorandum of understanding between the Republic of India and the Kingdom of Bahrain on labour and manpower development | 17 June 2009 | Enhance the existing friendly relations between the two countries by developing cooperation in labour mobility and human resource development, based on the principles of equality and mutual interest in accordance with the laws applicable in both countries and provide for the protection and welfare of all categories of employees Reap mutual benefits |
| Memorandum of understanding between the Government of the United Arab Emirates and the Government of India in the field of manpower (revised) | 23 September 2011 | |
| Labour co-operation for domestic service workers with the Kingdom of Saudi Arabia | 2 January 2014 | Protect the rights of both the employer and domestic workers and regulate the contractual relationship between them |

Source: Adapted from Wickramasekara, 2012 and <http://moia.gov.in/services.aspx?ID1=349&id=m4&idp=81&mainid=73>.



Towards skill matching and improving migration outcomes: Suggested directions

Chapter 6 | Towards skill matching and improving migration outcomes: Suggested directions

This section outlines policy suggestions for enhancing the links between skill supply and international migration to improve migration outcomes for migrants and their families, both in the countries of origin and destination. Additionally, we highlight certain good practices from different parts of the world. Most of the policy recommendations that have been made are based on the fundamental presumption that international labour migration policy in India ought to provide increasing emphasis on the promotion and facilitation of labour flows from India (including labour migration to GCC countries) and not be limited to the regulation and protection function of the State.

DEVELOP AND STRENGTHEN THE LABOUR MARKET INFORMATION SYSTEM ON INTERNATIONAL MIGRATION

It is widely acknowledged that lack of relevant and systematic data, particularly pertaining to skills, is a major impediment in evolving efficient short-term as well as long-term policies on international labour mobility in India. Such data is required (i) to gauge the features of the emerging labour and skill demand in destination countries and (ii) to assess the quantitative and qualitative dimensions of the available labour supply. Considering that the India–GCC corridor is one of the densest migration routes, there is an immediate need to evolve robust mechanisms to continuously monitor and forecast the emerging labour and skill requirements in all GCC countries. Such forecasts should be available across sectors and skill qualifications, both for current as well as for future labour requirements. It is critical that factors like demographic transitions, technological advancements and changes in immigration policy are appropriately factored in and integrated when estimating labour and skill demands.

Although forecasting forms a critical component of the labour market information system, it is equally important to institute mechanisms that facilitate the link between foreign employers and Indian job seekers. Even though attempts to create such platforms have been made in certain states, like Andhra Pradesh and Kerala, it is necessary to expand the outreach of such a platform at the national level, possibly by developing a national website portal on international labour migration.

As a major labour-sending country, it is equally imperative that India develops a comprehensive database to capture the trends and characteristics of labour outflows that encompass all categories of migrant workers. Currently, such information is available only in relation to those who require and have obtained clearance to migrate for overseas employment, thus making the data very

partial. Given that the Ministry of Labour and Employment is in the process of developing a national website portal for job matching within India, attempts could be made to integrate the website portal on international migration with the national portal so that they can service a larger number of job seekers as well as employers.

Additionally, there is an urgent need to collect data on returned migrants. To strengthen policy on the reintegration of returned migrants, information should be collected on several critical variables, such as skills acquired during overseas employment, financial resources available and entrepreneurial skills needed. Several labour-sending countries, such as Bangladesh, the Philippines and Sri Lanka, undertake national surveys on international migration periodically. Considering that international migration is an important component of India's economic and social development, it is puzzling that no attempt has been made to conduct such a national survey. This type of survey also will provide useful baseline information for developing sustainable international migration policies in general. The Ministry of Overseas Indian Affairs could collaborate with leading institutions and the ILO to undertake such a survey.

STRENGTHEN THE LINKS BETWEEN SKILL DEVELOPMENT SYSTEMS AND INTERNATIONAL MIGRATION

It is evident from our analysis that there are minimal links in India between skill development systems and international labour migration. Establishing more links would immediately improve the labour market as well as migration outcomes for migrants. Such interventions are possible at different levels. First and foremost, based on the emerging demands for skills in the destination countries, skill development institutions can set up short-term certificate courses. Additionally, the curriculum of the existing certificate courses could be modified to consider the emerging skill needs in destination countries, particularly in relation to trades or sectors (like construction) that are in great demand in GCC countries.

In addition to formulating short-term courses or modifying the existing curricula, there is a need to establish certification systems that are aligned with the prevailing or emerging standards in destination countries and that will thus be easily accepted in those countries. The findings from our field surveys indicate that a major problem encountered by workers with certificates from skill development institutions in India is that they are not recognized in the international labour market. The recently formulated National Skill Qualification Framework (2013), which organizes qualifications according to levels of knowledge, skills and aptitudes, is an important step in this direction.

Major vocational skill development institutions in India (the industrial training institutes and industrial training centres) should be encouraged to benchmark their standards against those developed by international skill certifiers. Such a course of action is critical not only to enhance the skill endowments of students passing out of these institutions but also to develop India as a leading supplier of skilled labour, able to respond to the emerging demands in the GCC labour markets.

Another important issue to be addressed in relation to skill acquisition in India and linking it to international labour migration pertains to the means of skill acquisition. Our research found that

a substantial majority of the labour force in India acquires skills through non-formal or informal methods. There is an urgent need to expand the operation of systems to certify informally acquired skills. One of the requisites is the recognition of prior learning.

Yet another problem that needs to be tackled is the absence of links between skill development institutions and the overseas job market. Currently, such links, which are limited, exist primarily in the context of certain private skill development institutions in selected educational streams, such as hotel management and health care. There are no such links with the major vocational training institutions (the industrial training institutes and industrial training centres) in India. The Government needs to identify the efficiently functioning industrial training institutes and facilitate their links with large employers in the GCC region. This type of measure would considerably improve the labour market opportunities of people enrolled in such institutions. This would also serve as an incentive for other industrial training institutes to improve their professional efficiency levels so that they can be linked with foreign employers.

Some of the world's major labour-sending countries run programmes that link international migration and skill development. For instance, the Overseas Workers Welfare Administration in the Philippines conducts a one-year Skills for Employment Scholarship Programme and six-month vocational courses based on the technical skill requirements of available overseas jobs. In Sri Lanka, the Ministry of Youth Affairs and Skill Development and the state and non-state technical education and vocational training network have collaborated to develop national vocational qualifications for different categories of migrant workers and to appropriately equip training centres. The Sri Lanka Bureau of Foreign Employment has established a marketing division to promote employment opportunities by identifying skill needs in destination countries. They also prepare regular market intelligence reports on the overseas demand for various skills.

ESTABLISH A FRAMEWORK TO RECOGNIZE NEWLY ACQUIRED SKILLS BY MIGRANTS

The recognition of skills acquired by migrant workers while working abroad becomes critical when considering the temporality of immigration policies. Certifying newly acquired skills of migrants is a largely neglected aspect in the policies of most labour-sending countries, including India. This becomes significant during reintegration or when migrants plan to re-migrate. In the context of the India–GCC migration corridor, it is well documented that the skill sets of migrant workers are weak during the initial migration episodes. During their time in foreign destinations, they usually acquire new skill sets. It is vital that modalities are developed to certify such newly acquired skills, which in turn will improve migration outcomes during the later stages of migrants' lives. These initiatives should aim at assessing the skills of migrants during the pre- and post-migration phase. This becomes critical to provide them with financial and entrepreneurial opportunities during the return phase and help them find wage employment or start self-employment enterprises.

The certification of skills becomes effective if there is cooperation between sending and receiving countries. For instance, labour-receiving countries could volunteer to certify migrant workers' skills. A good example is the Happy Return programme implemented by the Ministry of Employ-

ment and Labour in the Republic of Korea. The programme (i) provides free business training and career guidance to migrant workers to help them start a business or find a job in local Korean companies in their home country, (ii) provides free 40-hour training at a training centre near workplaces and (iii) issues certification of work experience for migrant workers to facilitate their job applications to Korean companies or multinational corporations in their country. In the post-return phase, migrant workers are informed of employment opportunities at local Korean-owned companies through job fairs as well as online and offline job placement services. The programme also extends counselling services to migrants to cope with difficulties during the resettlement process.

SET UP COLLABORATION BETWEEN LABOUR-SENDING AND LABOUR-RECEIVING COUNTRIES ON SKILL CERTIFICATION

Collaboration should be forged between sending and receiving countries on better skill matching and on skill testing and certification. This could be formalized through MOUs between India and each GCC country. The existing MOUs on labour migration mostly cover the regulation of working conditions, mobility of workers or social security agreements; MOUs on skills are needed to promote recognition of prior learning and improve migrants' employability.

Under the regional initiative of the Abu Dhabi Dialogue, a Pilot Project on Skill Development, Documentation and Recognition was conceptualized in November 2014. The governments of Kuwait and the United Arab Emirates, in cooperation with the governments of India, Pakistan and the Philippines, will implement the project, on an experimental basis, for construction and service workers recruited by the private sector. The project aims to develop collaborative policies and schemes that empower workers through training certification, which would facilitate recognition of initial and acquired skills of workers and help employers to improve their labour productivity. Thus, the project aims to serve the objectives of countries of origin and destination in expanding their qualified labour pools and human capital. The project will be implemented with technical support from the ILO, the International Organization for Migration and the World Bank.

RECOGNIZE THE ROLE OF PRIVATE RECRUITMENT AGENTS

Considering that private recruitment agencies are an integral part of the recruitment process in India, efforts are needed to engage them as responsible partners for improving labour market and migration outcomes. In terms of skills and migration, they could perform important roles, like facilitating skilled migration and the better matching of skills. The Government can facilitate the increased involvement of private recruitment agencies by providing them relevant training, setting up common standards and giving them the authority to conduct programmes based on certified curricula. Interestingly, such initiatives are practised in Sri Lanka where the Government liaises with private recruitment agents to conduct pre-departure programmes and also collaborates with

state technical education and vocational training institutions to impart skills and issue certifications that are in demand in foreign destinations.

DEVELOP CUSTOMIZED SKILL DEVELOPMENT PROGRAMMES SUITABLE FOR VULNERABLE CATEGORIES OF MIGRANT WORKERS

Considering that a significant share of workers migrating from India to a GCC country are either low-skilled or possess non-certified skills, mechanisms should be instituted to impart to them skills that are in demand. This is particularly important for vulnerable migrants, such as domestic workers, who can possibly claim better wages if they are given some pre-employment training. Such good practices are being instituted in countries with efficient migration management systems, like the Philippines and Sri Lanka.



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From India to the Gulf region: Exploring links between labour markets, skills and the migration cycle

Despite the substantial benefits generated by the migration flow between India-GCC migration flow, many challenges remain to ensure a fairer distribution of the profits. Much has been written on the abuses of migrant workers throughout the migration cycle, but less is known about labour demand, its relationship to skills and the impact of the recruitment process on these aspects.

Lack of information regarding qualifications, skills, wages and how demand will evolve inhibits informed decision-making by public and private institutions as well as by migrant workers. This results in lost opportunities or mistakes with training investment in both source and recipient countries. Additionally, there is no system of mutual recognition of educational attainment and acquired skills based on comparable standards for low-skilled or semi-skilled occupations.

This report addresses some of these issues, with a special focus on the role of skills in India, including skills training, certification, skills matching and recruitment practices.

The report is a complement to *Labour Market Trends Analysis and Labour Migration from South Asia to Gulf Cooperation Council Countries, Malaysia and India* published in June 2015 by the GIZ and the ILO.

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