

Return Migration from the UAE : The Case of Kerala

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Introduction

Return emigrants have become a demographically, politically and economically significant component of Kerala's population. At present one out of every 29 persons in Kerala, one out of every 22 adult population of Kerala (15+), one out of every 19 working age population of Kerala (15-59 years), and one out of every 9 working age male population of Kerala are return emigrants. Corresponding to every 100 households in Kerala, there are 16 return emigrants; 12 of them have at least one return emigrant. About 1.3 percent households have more than one return emigrant. At present, there are roughly over 1.3 million return emigrants in Kerala. Three years ago, KMS [Kerala Migration Survey], 2008 of Centre for Developmental Studies (CDS), Thiruvananthapuram, Kerala, estimated that there were about 1.157 million return emigrants Ten years earlier, KMS 1998 enumerated 7.4 lakhs return emigrants. The number of return emigrants is expected to increase to about 1.6 million by 2015 ¹.

Return Migration from the Gulf after 2008 Recession

In 2008, the number of Indian workers in the GCC countries reached a high of 6 million. Of those about 60 per cent worked in the construction field. It is estimated that more than 2,00,000 workers in the Gulf have returned to India as a result of the delay in execution of projects due to international economic slowdown and recession. Indian professionals in the western countries like Germany, Canada and Britain have not shown any such trend of mass home return, despite these economies going into recession. The World Bank estimates that the biggest declines in the flow of migrant money are expected in the Middle East and North Africa because of economic slowdowns in the Gulf and Europe.

¹ K. C. Zachariah, S. Irudaya Rajan, March 2011, *From Kerala To Kerala via the Gulf: Emigration Experiences of Return Emigrants*, CDS, Thiruvananthapuram

Several of these workers have returned to India only temporarily, that is, on leave without pay and expect to go back once the economy revives and projects restarted. At the same time, many other workers in GCC countries return to India on cancelled visas or after finishing their jobs, not those on leave. The Minister of Overseas Indian Affairs, Mr. Vayalar Ravi, said in the Indian parliament that until 2007, 50,000 to 150,000 workers returned annually to India from Gulf countries after completing their contracts, which run from three to five years.

It is estimated that more than 2,00,000 workers in the Gulf have returned to India as a result of global financial crisis. Millions of Indians in Gulf countries are under the fear of job loss. Some have been asked to go on long leave while some receive half or a quarter of their salary. No official estimate of how many people are returning every week. Remittances from the Gulf are declining day by day. Some of the return emigrants identified in KMS 2008 re-migrated to become emigrants once again. They were about 9.549 % of the total return emigrants or about 110,494 when projected to the Kerala population ². Malappuram has the largest number of emigrants (15.3 %) and it has the largest number of return emigrants also (19.0 %). Trivandrum is the second largest with respect to emigration and is also the second largest with respect to return emigration. The propensity to return is greater in Trivandrum than in Malappuram when we measure the return emigrants as a percentage of emigrants. On that basis, it appears that the preferred districts for resettlement of Kerala's return emigrants are (in order of importance) Trivandrum, Malappuram, Thrissur, Kollam and Ernakulam. Muslims are disproportionately over-represented among the emigrants and return emigrants. Propensity to return is also highest among the Muslims. Return emigrants as a proportion of emigrants is about 56 % among the Muslims compared to just 47 % among the Hindus and Christians ³.

Return Migration from UAE

About 40% of the population in the UAE are of Indian origin. Of the UAE population of 6 million people, which comprises both Emiratis and foreigners, the largest group of foreigners is from India. The largest number of emigrants who returned during the recession period turned up from the UAE (46.4 %). So the workers in the United Arab Emirates are seemed to be most affected. The crisis has

² The Guardian, Monday, 6 April, 2009

³ K. C. Zachariah, S. Irudaya Rajan, March 2011, *From Kerala To Kerala via the Gulf: Emigration Experiences of Return Emigrants*, CDS, Thiruvananthapuram

not affected Saudi Arabia as much as Dubai in the United Arab Emirates. 47,000 Indians are estimated as number of return emigrants from the UAE alone ⁴.

Companies in Dubai are cutting jobs, particularly in the real estate sector and construction industry. The most visible impact on the construction industry is in Dubai. Dubai has been hit particularly hard because it was the region's key financial center, and finance has taken a backseat amid the global economic slowdown. Construction, real estate, banking and tourism sectors have been badly hit by the global slowdown. The job opportunities in Dubai were primarily in construction, while in the other countries and emirates, the jobs were more broad-based. No official estimate of how many people are returning to India every week. The Dubai government is still in a denial phase and continues to repeat that there is no mass exodus of Indian workers. The Indian embassy in the UAE could not give precise figures of returnees.

\$59-billion debt woes of state-run *Dubai World*, one of the largest global conglomerates, has left thousands of Indian families worried, as the region accounts for half of the country's \$25-billion remittances. *Proleads*, a Dubai based property consultancy, estimated that 45 per cent of the country's building projects had been delayed. Building boom stalled in 2009 - according to *Morgan Stanley*, real estate projects worth as much as £263bn have been delayed or scrapped in UAE. Around 1,500 to 2,000 fishermen from Sakthikulangara, Kerala were employed in prestigious sea reclamation projects in the UAE, Due to the recession, almost 90% are back. In UAE alone construction companies have halted or put on hold projects worth 582 billion dollars with no word on when work may resume. Recruiting agencies confirmed that hundreds of job visas were cancelled from across the Middle East. *Overseas Development and Promotion Consultants Limited*, which recruits Keralities for overseas jobs, stated that a recruitment fall has occurred due to recession in Middle East. 30,000 visas had been cancelled in Dubai in 2009-2010 ⁵.

How to handle the Return Migration ?

No fiscal help is being offered to those returning to India, although the government is considering various proposals to establish aid funds. The ministry of Overseas Indian Affairs was expecting a budgetary support of Rs.100 crore for setting up a fund for returning Indian workers but the request could not be accommodated in the union budget of 2009.

⁴ Irudaya Rajan and Narayana, 2010, CDS, Kerala

⁵ Inter Press Service: June 30, 2009

Kerala, the home state of many expatriate workers, has set up a loan package to help returnees start small businesses from their homes. Former Kerala Finance Minister T.M. Thomas Isaac has said that the State government will examine the possibility of setting up a financial mechanism for providing loans to the gulf returnees interest-free for starting their own employment ventures along the 'Islamic banking' principles. The state budget, 2009 allotted Rs. 100 crore. for providing soft loans to Gulf returnees ⁶. The state-owned Kerala Financial Corporation (KFC) has been handling the package for Gulf returnees. The KFC provides entrepreneurial loans at a low interest rate of seven per cent to those returning from the Gulf countries after losing job in the wake of the ongoing economic slowdown. The target is to provide Rs 100 crore under the scheme. KFC also evolves a mechanism to impart technical and managerial skills to such Gulf returning entrepreneurs ⁷. The state of Kerala has also sought the Gulf Cooperation Council's (GCC) help to rehabilitate thousands of Gulf returnees, who lost their jobs in the wake of the global slowdown, by contributing to the fund which the state government has already set up ⁸.

The government of Kerala has decided to issue photo identity cards for the non-resident Keralites working for a minimum of 6 months in a foreign country. To gather the details of gulf returnees a special registration system has been introduced by NORKA ⁹. *Swanthwana* is a Relief Fund Scheme that has been launched for NRKs in distress. This scheme targets NRK returnees living on below poverty line and similarly placed dependents of deceased NRK's. The scheme is devised to meet financial requirements for marriages, medical treatment etc. and posthumous aid to provide social security to and their family or dependents. A rehabilitation scheme, a legal aid cell and a 24-hour helpline are constituted in this regard. A new centre will also be set up to improve the skill sets of those who want to go abroad for a job. Another new initiative is the setting up of an Overseas Employment Skill Testing Centre ¹⁰.

However, the plans of the State Government to create a data bank on Gulf countries following recession has suffered a setback as only an insignificant number of returnees has so far enrolled themselves in the data bank even after two years of its launch. Around 1,500 persons have so far enrolled themselves in the data bank being prepared by the NORKA-Roots. The poor response to the

⁶ <http://keralaassembly.org/budget/highlights2009-10.html>

⁷ The Hindu business line, Thursday, Jun 04, 2009

⁸ Malayala Manorama, Wednesday, July 22, 2009

⁹ Budget Speech 2009-2010, Part VII, Welfare Measures, Dr. T. M. Thomas Issac, 20th February, 2009.

¹⁰ <http://www.indiavision.com/news/article/national/206110/>

data bank will indeed torpedo the welfare initiatives of the Government for rehabilitation of the returnees. The lack of awareness among the targeted group is considered to be one major reason for the poor response to the data bank. Around 100 returnees availed of the loans being offered through the Kerala Financial Corporation. The response is not so encouraging. Most of the people are looking for trading activities. But as per KFC's rules, it could not provide financial support to trading activities ¹¹.

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¹¹ Express News Service, 21 Jan 2011