

ECONOMIC EMIGRATION

13.1 Human migration is one of the most challenging tasks facing the world today. Migration means the movement of skills, cultures, traditions, families and hopes – in short moving of complexities that make up the life of a human being. There are several factors, political, economic and social that influence the movement of people and the choice of their destination. Notwithstanding that, the primary motivation for migration for employment remains economic. India has a vast reservoir of well-trained technical manpower in all disciplines, be it engineering, medical, management, computer, pure sciences etc. In recent years, a fairly large number of Indians have found lucrative placements abroad.

Trends in Emigration

13.2 Earlier, the destination of Indian workers was mainly the United States of America, United Kingdom, Canada and other developed countries. During the mid-seventies, the oil boom in West Asia and the Gulf countries vastly changed the complexion of migration. The steep hike in oil prices during 1973-74 and thereafter led to a considerable increase in the revenue of the oil producing and exporting countries in West Asia and the Gulf region. As a result, development programmes including construction of roads, creation of amenities like schools, hospitals, houses, airports, office and commercial complexes etc. were taken up in a big way. This resulted in a spurt in demand for not only highly skilled technical experts but also semi-skilled and unskilled workers. India was well placed to meet these emerging demands. Therefore, the major outflow of emigrant workers in the last few years from India has been to the Gulf countries where about four million workers are estimated to be employed. The number of workers who were given emigration clearance for contractual employment abroad during the last five years and data on distribution of labour outflows is detailed in Tables 13.1, 13.2 and 13.3.

13.3 Most of the migrants to Middle East oil exporting countries are semi-skilled and unskilled workers and most of them are temporary migrants who return to India after expiry of their contractual employment. During the year 1999, there was a decline in the number of persons emigrating for employment abroad primarily due to the determined efforts of the Governments of the Gulf countries to provide jobs to local population, maintenance of ethnic balance, completion of various projects and more rigorous scrutiny before visas were granted.

Of late, some Gulf countries have imposed restrictions on issuance of visas for the unskilled category of workers. However, the situation has improved considerably since the latter half of the year 2000. There has been a remarkable increase in the number of emigration clearances granted during 2003 (4.66 lakhs) over 2002 (3.68 lakhs).

Remittances

13.4 The employment of Indian workers abroad helps to earn foreign exchange and thereby adds to the foreign exchange reserves of the country. The private transfer of foreign exchange from the year 1998-99 onwards is given in **Table 13.4**. As may be seen there has been a steady increase in the remittances from Rs. 43,494 crores in 1998-99 to Rs. 69,924 crores in 2002-03. It is estimated that a major proportion of this is contributed by the increasing number of unskilled and semi-skilled workers working in the Gulf countries, Malaysia and Singapore.

The Legal Framework

13.5 The Emigration Act, 1983, which came into force with effect from 30th December, 1983 embodies the guidelines enunciated by the Supreme Court of India in its judgement and order dated 20.03.1979 (Kanga Vs. Union of Indian & Others) and provides for a regulatory framework in respect of emigration of Indian workers for overseas employment on contractual basis and seeks to safeguard their interests and ensure their welfare. The Act makes it mandatory for registration of all Recruiting Agents with the Ministry of Labour before they can conduct the business of recruitment for overseas employment. The Certificate is granted by the Protector General of Emigrants after taking into account, inter alia, the Recruiting Agent's financial soundness, trustworthiness, adequacy of premises, experience in the field of handling manpower export, etc., and after obtaining security deposit ranging between Rs.3 lakhs to Rs.10 lakhs in the form of Bank Guarantee. The scale of security at present is as under:

- i. upto 300 workers.....Rs.3 lakhs
- ii. 301 to 1000 workers.....Rs.5 lakhs
- iii. 1001 workers and above.....Rs.10 lakhs

13.6 The security deposit is provided for to secure due performance of the terms and conditions of the Registration Certificate and also to meet the contingencies arising out of any worker stranded abroad. Under Section 16 of the Emigration Act, 1983, an employer can

recruit any citizen of India for employment abroad either through a registered Recruiting Agent or directly by obtaining a permit issued from the concerned Indian Mission or the Ministry of Labour under Section 15 of the Act. Indian workers are also deployed by Indian Companies for deployment on Projects undertaken by them abroad. The Recruiting Agents are authorised to charge, as service charges, from each worker at the following rates: -

<u>Category</u>	<u>Maximum service charges</u>
i. Unskilled workers	Rs. 2,000/-
ii. Semi-skilled workers	Rs. 3,000/-
iii. Skilled workers	Rs. 5,000/-
iv. Other than the above	Rs.10,000/-

13.7 Ministry of Labour has progressively decentralised the process of emigration clearance. Currently, this is being done through the eight offices of Protectors of Emigrants (POEs) located at Delhi, Mumbai, Kolkata, Chennai, Chandigarh, Cochin, Hyderabad and Thiruvananthapuram. In order to facilitate smooth public interface, all eight POE Offices work six days a week.

Emigration Check Required (ECR) Category

13.8 Categories of persons whose passports have been endorsed as “Emigration Check Required” (ECR), if intending to travel abroad for purposes other than employment are required to obtain ‘suspension’ from the requirement of obtaining emigration clearance. The persons seeking ‘suspension’ are required to submit a simple application in the prescribed format, produce the return ticket and passport with non-employment visa. The ‘suspension’ is granted on the same day by the eight POEs and certain other authorised Passport Offices. Indian Missions have also been delegated the powers to extend the period of ‘suspension’. Basically, those travelling abroad as tourists and whose passports carry ECR endorsement obtain ‘suspensions’. The total number of ‘suspensions’ granted by the Protector of Emigrants during the last five years is given in **Table 13.5.**

Emigration Check Not Required (ECNR) Category

13.9 Section 22 of the Emigration Act, 1983, provides that no citizen of India shall emigrate unless he/she obtains emigration clearance from the offices of Protector of Emigrants. However, through periodical reviews, the regulatory mechanism has been progressively liberalised. Currently, seventeen categories of persons have been exempted

from this requirement and have been placed under the ‘Emigration Check Not Required’ (ECNR) category. **(Table 13.6).** Persons belonging to any of these categories are entitled to get the ECNR endorsement on their passports from the Regional Passport Offices after showing proof of their eligibility. Persons with ECNR endorsement on their passports, do not require to obtain any clearance from POE Offices.

13.10 In addition to the above, a worker belonging to any of the following six categories and having valid employment visa endorsed on his/her passport can approach the concerned POE through a registered Recruiting Agent for ECNR endorsement on his/her passport:

- i. Supervisors (all professions);
- ii. Skilled workers (all professions);
- iii. Semi-skilled workers (all professions);
- iv. Light/Medium/Heavy Vehicle Drivers;
- v. Clerical workers of all categories including Stenographers, Store-keepers, Time-keepers, Typists, etc.; and
- vi. Cooks excluding those who seek employment in household duties (as cooks).

13.11 Persons going to 54 countries including Bangladesh, Pakistan, countries in North America and Europe (excluding certain CIS countries) are exempted from emigration check formalities. The pilgrims going for Haj and Umrah in Saudi Arabia and those pilgrims travelling with the declared purpose of performing Ziarat at Saudi Arabia, Syria, Iran, Iraq, Jordan, Egypt and Sana (Yemen) are also exempt from the requirement of obtaining ‘suspension’ from Emigration Check Requirements from POEs/Passport offices. After a comprehensive review during 2003-04, four more countries, viz., South Africa, South Korea, Singapore and Thailand have been included in the ECNR category. The complete list of 54 ECNR countries is given in **Table 13.7.**

Recruiting Agents

13.12 The registration of Recruiting Agents under the Emigration Act, 1983, commenced from January, 1984, and upto 31st December, 2003 Registration Certificates were issued to 3942 Recruiting Agents. This figure includes nine State Manpower Export Corporations established in the States of Uttar Pradesh, Andhra Pradesh, Kerala, Punjab, Tamil Nadu, Karnataka, Himachal Pradesh, Haryana and Delhi. However, at present 1377 Recruiting

Agents are engaged in this business with valid registration certificates. Major concentration of Recruiting Agents is at Mumbai, Delhi, Chennai and Thiruvananthapuram.

Manpower Exports for Projects

13.13 Indian companies which are executing projects abroad are required to obtain appropriate clearance from the Reserve Bank of India/Ministry of Commerce before emigration clearance for taking their workers abroad is granted. If the Project Exporters propose to send groups of workers abroad, they are required to furnish a Bank Guarantee ranging from Rs.20,000/- to Rs.5 lakh depending upon the number of workers proposed to be taken abroad. These provisions have been made to ensure adequate protection to workers while working abroad.

13.14 The workers going abroad on an individual basis recruited by or directly through foreign employers are no longer required to deposit any security following introduction of the Pravasi Bharatiya Bima Yojana w.e.f. 25.12.2003.

Redressal of Grievances

13.15 As a result of the liberalisation of the policy while the number of persons going abroad has increased, a fair number of the emigrant workers face difficulties. Complaints are received from various quarters, regarding non-payment/ delayed payment of wages unilateral changes in the contracts of workers, changing the jobs arbitrarily etc. In extreme cases, the workers are not given any employment at all and are left in the lurch in the foreign country. Such workers, besides suffering untold misery, also become a burden on our Missions. In such instances, the Protector General of Emigrants (PGE) steps in and gets the concerned Recruiting Agent to get the workers repatriated on his expense. If he fails to do, his Bank Guarantee is forfeited and the amount utilised to pay for the repatriation expenses.

13.16 Complaints against Recruiting Agents are enquired into with the help of POEs and the concerned Indian Missions and action, as appropriate in each case in accordance with the provisions of the Emigration Act, 1983 and Rules framed there under is taken. Complaints against un-registered agents are referred to the concerned Police authorities for investigation and action under the law of the land. All State Governments and UT Administrations have also been advised to instruct all Police Stations to keep a strict vigil on the activities of unscrupulous agents. Complaints against foreign employers are taken up with the Indian Missions and if need be the employer is blacklisted. Departmental action is also taken against the erring agents by way of suspension and cancellation of Registration Certificate and

forfeiture of Bank Guarantee. During 2003, upto 31st December, 2003, the Registration Certificates of five agents have been suspended/cancelled. Efforts by Indian Missions abroad to check the exploitation of Indian workers have resulted in blacklisting of twenty-one employers in Malaysia, Qatar and Kuwait etc.

13.17 The Protector General of Emigrants (PGE), Ministry of Labour hold Public Hearings twice a week on Tuesdays and Fridays from 11.30 AM to 12.30 PM at Shram Shakti Bhavan, New Delhi. Affected parties can meet the PGE on the appointed days for redressal of their grievances. During the year 2003, 1445 petitions/representations were handled at these Public Hearings and all of them have been disposed off. Strict vigilance is also enforced to secure proper conduct of the officials handling emigration matters.

Rehabilitation of returning migrants

13.18 The State Governments were advised to consider setting up Societies to guide and assist returning migrants for their rehabilitation through self-employment, skill upgradation or wage-paid employment programmes. Financial and Industrial Development Corporations and other societies in Andhra Pradesh, Delhi and Kerala already extend guidance and help to the returning migrants for promoting industries sponsored by them.

Central Manpower Export Promotion Council and Indian Overseas Workers' Welfare Fund

13.19 Globalisation of trade and employment has brought in a qualitative change in the world economic scenario resulting in mass movement of people across the national boundaries. Manpower has become a potent force as a good source of foreign exchange earning and regeneration of economic growth. New destinations have been added to the list of job seekers. There is a change in the composition of workforce in as much as highly qualified professionals, managers, technicians are migrating in search of better employment and better pecuniary benefits. People are also migrating with a view to upgrading their skills.

13.20 India has a vast reservoir of skilled, semi-skilled and unskilled manpower. A larger number of Indians can emigrate to other countries for work if they are given proper counselling and reorientation keeping in view the needs of the labour market and if their functional capabilities are enhanced to enable them to compete with workers from other labour exporting countries. This is possible only if there is an agency, which can take up such a promotional role. At present, under provisions of the Act, the Government has neither any role to study the needs and demands of the overseas labour market nor does it provide any

training or career counselling to the workers going overseas. It is, therefore, proposed to constitute Central Manpower Export Promotion Council by amending the Act.

13.21 There have been many cases in which emigrants had obtained emigration clearances from the offices of Protector of Emigrants, but on reaching the alien lands, they faced many problems, such as, change of work agreement to their disadvantage by the foreign employers, non-payment or delayed payment of salaries, poor working and living conditions, getting stranded because of the foreign employers' unwillingness to receive them on arrival, non-availability of jobs after arrival in the foreign country, non-payment of compensation in the case of injuries caused by accident in the course of or arising out of employment resulting in partial or total disablement, delays in the transportation of dead bodies of the workers to India by the foreign employers etc.

13.22 A few labour exporting countries in the South Asia and South East Asia region have set up either Welfare Funds or Welfare Boards to provide some financial assistance or relief to emigrant workers who are in distress in foreign countries. It is, therefore, proposed to constitute an Indian Overseas Workers' Welfare Fund for meeting such contingencies. The Fund is proposed to be operated by the Central Manpower Export Promotion Council. The Council could utilise the Fund for arranging return tickets for the workers who get stranded abroad or for transportation of dead bodies of the workers and to grant assistance to the workers who become partially or permanently disabled or for similar other purposes.

13.23 With a view to achieving the above objectives, the Emigration (Amendment) Bill, 2002 was introduced in the Lok Sabha on 21.11.2002 and the Lok Sabha referred the Bill to the Standing Committee on Labour & Welfare for examination and report. The Standing Committee has presented its report to the Lok Sabha on 15.12.2003 and the recommendations made by it are under examination. As a result of the proposed amendments, it is expected that employment opportunities abroad will be optimally utilised and will lead to a direct increase in remittances of foreign exchange. Welfare of emigrants is also expected to be better addressed through the Council and the Welfare Fund.

The Pravasi Bharatiya Bima Yojana

13.24 On the occasion of the Pravasi Bharatiya Divas on 09.01.2003, the Hon'ble Prime Minister announced introduction of a compulsory Insurance Scheme for the emigrants going abroad for employment. In pursuance of this announcement, a compulsory Insurance Scheme known as the Pravasi Bharatiya Bima Yojana (PBBY), 2003 has been notified on 13.11.2003.

This Scheme has come into force on the 25th day of December, 2003 and is applicable only to citizens of India who are required to obtain an emigration clearance. The salient features of this Scheme are as under:

- The Pravasi Bharatiya Bima Yojana seeks to provide insurance cover of a minimum sum of Rs.2.00 lakhs payable to the nominee/legal heir in the event of death or permanent disability of any Indian emigrant who goes abroad for employment purpose after obtaining emigration clearance from the concerned Protector of Emigrants (POE).
- In the case of death, besides the cost of transporting the dead body, the cost incurred on the one way airfare of one Attendant shall also be reimbursed by the Insurance Company.
- If a worker is not received by the employer on his arrival to the destination abroad or there is any substantive change in Employment Contract to his disadvantage or if the employment is pre-maturely terminated within three months for no fault of the emigrant, the Insurance Company shall reimburse one way economy class airfare provided the grounds of repatriation are certified by the concerned Indian Mission/Post.
- The Insured person shall be reimbursed actual one way economy class airfare by the Insurance Company if he falls sick or is declared medically unfit to commence or continue working and the service contract is terminated by the Foreign Employer within six months of taking the insurance.
- The Insurance Policy shall be valid for a period of two years or the actual period of contract whichever is less.
- The Insurance Policy shall also provide medical cover of a minimum of Rs.50,000/- as cash-less hospitalisation and/or reimbursement of actual medical expenses of the insured emigrant workers on grounds of accidental injuries and/or sickness/ailments/diseases occurring during the period of insurance provided the medical treatment is taken in India.
- The Insurance Policy shall also provide maternity benefits, subject to a minimum cover of Rs.20,000/- in case of women emigrants but re-imburement to be restricted to actual expenses.

- The family of emigrant worker in India consisting of spouse and two dependent children up to twenty one years of age shall be entitled to hospitalisation cover in the event of death or permanent disability of the insured person for a maximum amount of Rs.10,000/- per annum.
- The Insurance Companies shall charge fair and reasonable premium for policy period of six months, one year and two years.

Coordination with other Ministries

13.25 It has been recognised that there needs to be better co-ordination between various Central Ministries/Organisations as also with the State Governments. Hence, an Inter-Ministerial Committee under the Chairmanship of Additional Secretary, Ministry of Labour has been constituted. The Committee held its first meeting on 20.11.2003. It is proposed to hold quarterly meetings of this Committee with a view to discuss problem areas and improve the Govt.-public interface. The core Ministries of Labour, External Affairs and Home Affairs are represented on the Committee. The Committee is empowered to co-opt State Government representatives and other concerned Ministries/Organisations also.

TABLE 13.1

**EMIGRATION FOR EMPLOYMENT
DURING THE LAST FIVE YEARS**

Year	No. of workers (in lakhs)
1999	1.99
2000	2.43
2001	2.79
2002	3.68
2003	4.66

TABLE 13.2

**THE DISTRIBUTION OF ANNUAL LABOUR OUTFLOWS FROM INDIA BY
DESTINATION**

1999-2003

Sl. No.	Country	1999	2000	2001	2002	2003
1.	U. A. E.	79269	55099	53673	95034	143804
2.	Saudi Arabia	27160	58722	78048	99453	121431
3.	Kuwait	19149	31082	39751	4859	54434
4.	Oman	16101	15155	30985	41209	36816
5.	Malaysia	62	4615	6131	10512	26898
6.	Bahrain	14905	15909	16382	20807	24778
7.	Singapore	19468	18399	27886	24399	23438
8.	Qatar	--	--	13829	12596	14251
9.	Libya	1129	1198	334	1339	2796
	Others	22309	32003	11645	13765	17810
	TOTAL	199552	243182	278664	367663	466456

TABLE 13.3**STATE-WISE FIGURES OF WORKERS GRANTED EMIGRATION CLEARANCE/ECNR ENDORSEMENT DURING THE YEARS 1999-2003**

State	1999	2000	2001	2002	2003
Andhra Pradesh	18,983	29,999	37,331	38,417	65,971
Andaman & Nicobar	0	0	0	2	9
Arunachal Pradesh	0	0	0	0	61
Assam	24	0	1,575	2,666	2298
Bihar	5,866	6,726	9,711	19,222	17,104
Chandigarh	872	2045	2435	2,813	2,374
Chhattisgarh	-	-	-	0	588
Delhi	3569	3165	3183	4,018	6,513
Gujarat	3,956	5,722	10,294	11,925	17,012
Goa	543	1331	2255	3,545	3,494
Haryana	288	52	154	424	1,246
Himachal Pradesh	130	214	116	1,724	1,690
Jammu & Kashmir	262	35	1366	1,323	42
Jharkhand	-	-	-	0	1,779
Karnataka	5287	10927	10095	14,061	22,641
Kerala	60445	69630	61548	81,950	92,044
Madhya Pradesh	904	1706	5035	7,411	10,651
Maharashtra	9871	13346	22713	25,477	29,350
Manipur	0	0	0	2	50
Meghalaya	0	0	0	0	1
Mizoram	0	0	0	0	81
Nagaland	0	0	0	1	54
Orissa	549	576	3014	1,742	5,370
Pondichery	180	35	21	21	24
Punjab	15167	10025	12422	19,638	24,963
Rajasthan	9809	10170	14993	23,254	37,693
Sikkim	12	2	3	16	3
Tamil Nadu	47402	63878	61649	79,165	89,464
Tripura	14	0	2	1,114	4
Uttar Pradesh	11789	9157	13912	19,288	24,854
Uttaranchal	-	-	-	106	122
West Bengal	1559	1940	4830	8,338	8,906
Others	2071	2164	7	0	0
Total	199,552	212,846	278,664	3,67,663	4,66,456

Source: Offices of the Protectors of Emigrants, Ministry of Labour, Government of India

TABLE 13.4**PRIVATE REMITTANCES**

YEAR	<u>In US \$ million</u>	<u>In Rs. Crore</u>
1998-1999	10341	43494
1999-2000	12290	53280
2000-2001	12873	58756
2001-2002	12125	57821
2002-2003	14807	71642
2003-2004*	14494	66861

* up to December, 2003

TABLE 13.5

SUSPENSION OF EMIGRATION CLEARANCE	
YEAR	No. of suspension granted (in lakhs)
1999	2.87
2000	3.63
2001	3.98
2002	4.37
2003	4.96

Table 13.6

**LIST OF PERSONS/CATEGORIES OF WORKERS IN WHOSE CASE
EMIGRATION CHECK IS NOT REQUIRED**

1. Persons going in managerial capacity in Hotels, Restaurants, Tea Houses or other places of public resort, etc., possessing specialized degrees in these fields.	10. Persons holding permanent immigration visas, such as in UK, USA and Australia.
2. All gazetted government servants.	11. Persons holding diplomas or higher Degrees.
3. All Income-tax payers (including Agricultural Income-tax payers.) In respect their individual assessment to Income-tax and actual payment of Income tax for last three years to be insisted upon, and not merely payment of advance tax.	12. Persons holding diplomas from recognised Institutions like Polytechnics.
4. All professional degree holders, such as Doctors holding M.B.B.S. degrees or Degrees in Ayurved or Homoeopathy; Accredited Journalists; Engineers; Chartered Accountants; Lecturers; Teachers; Scientists; Advocates etc.	13. Nurses possessing qualification recognised under the Indian Nursing Council Act, 1947.
5. Spouses and Dependent Children of category of persons, listed from (2) to (4).	14. All persons above the age of 60 years.
6. All persons who have been staying abroad for more than three years (the period of three years could be either in one stretch or broken) and spouses, and children of such persons.	15. All visitors to Pakistan and Bangladesh.
7. All Indian Seafarers who hold Indian or Foreign CDCs and are in possession of an offer of employment from shipping companies in India or abroad and Sea-Cadets.	16. All persons going to any country in Europe (excluding CIS countries North America, Australia, New Zealand or Japan).
8. All holders of Diplomatic/Official Passports.	17. Persons possessing certificates of vocational training from Government/ Government recognised institutions.
9. Dependent children of parents whose passport are classified as ECNR. In the case of such children, ECNR classification to be restricted till they attain 24 years of age.	

Table 13.7**LIST OF COUNTRIES FOR WHICH EMIGRATION CHECK IS NOT REQUIRED**

1.	Albania	28.	Lithuania
2.	Australia	29.	Luxemburg
3.	Austria	30.	Malta
4.	Bahamas	31.	Mexico
5.	Bangladesh	32.	Monaco
6.	Bhutan	33.	Nepal
7.	Bulgaria	34.	Netherlands
8.	Canada	35.	New Zealand
9.	Cyprus	36.	Norway
10.	Czech Republic	37.	Pakistan
11.	Denmark	38.	Poland
12.	Estonia	39.	Portugal
13.	Finland	40.	Romania
14.	France	41.	San Marino
15.	Germany	42.	Slovak Republic
16.	Gibraltar	43.	Spain
17.	Greece	44.	Sweden
18.	Greenland	45.	Switzerland
19.	Hungary	46.	The Holy sea
20.	Ireland	47.	Turkey
21.	Iceland	48.	United States of America
22.	Italy	49.	Yugoslavia
23.	Japan	50.	Belgium
24.	Latvia	51.	South Korea
25.	Liechtenstein	52.	South Africa
26.	Vatican City	53.	Singapore
27.	United Kingdom	54.	Thailand