

RECRUITMENT OF OVERSEAS MIGRANT WORKERS: MECHANISMS, EXPLOITATION AND VULNERABILITIES

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Abstract

Research subject: The growing occurrence and significance of international labour migration from India to gulf countries has become an important area of interest in policy research. However, little attention has been given to understand and study the overseas recruitment practices and challenges faced by migrants in source country. **Methodology:** The methodology used in this study was quantitative in nature, based on primary data. **Results:** that on account of limited economic opportunities at home, workers from rural villages migrate to gulf countries to raise family income and pay significantly in excess of the real cost of recruitment fees in the form of borrowings at high interest rates from informal sector, leading to extreme indebtedness. The findings further shed light on the reasons for heavily reliance on sub-agents. Research findings confirm that excess costs borne by workers arise from a variety of factors, including a high degree of informality and a lack of transparency in recruitment. The paper ends with policy recommendations for promotion of safe migration in order to accrue its benefits and to this end, need to conduct detailed mapping of international migration for better understanding of migration.

Keys words: Gulf migration, Migrants , Recruiting agency, Sub-Agents

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Objectives of the Study

1. To study socio-economic characteristics of Gulf migrants.
2. To identify the factors contributing to large scale emigration from Nizamabad district of Telangana to the Gulf countries.
3. To investigate the emigration process through different channels like recruiting agents and social network and to identify the cost and problems involved.
4. To review and recommend good practices on both policy and operational aspects for improved welfare and protection of migrant workers.

Methodology

The study adopted an descriptive research study with a sample survey approach. Keeping in mind the multilevel approach of the study, villages having a high percentage of migrant households and receiving an amount of remittances for two years and above were chosen as the unit of analysis. The quantitative methods used were structured questionnaires for the migrants in the study area. The qualitative methods included semi-structured interviews with Focused Group Discussions, and field observations. two high emigrating villages Chepur and Kespalli in the highest emigrating Nizamabad district of Telangana in India, with sample of 300 migrant households were selected as the study areas. The villages were selected using a purposive sampling procedure. First stage Telangana as one the high gulf emigrating state in India was selected with evidence from mainly previous studies from Sasikumar and Hussain (2007) Rajan (2014) . Secondly, Nizamabad district within the state that high emigrating chosen again(NSSO,2007). In third stage based on fieldwork survey, two villages from two high emigrant mandals in the Nizamabad district were selected in consultation with village development committees, current migrants, return migrants, recruitment agencies, NGOs and Gulf welfare associations. Finally, migrant households were selected as unit of analysis by means of snowball sampling, or the chain referral method, a non-probability technique in study area.

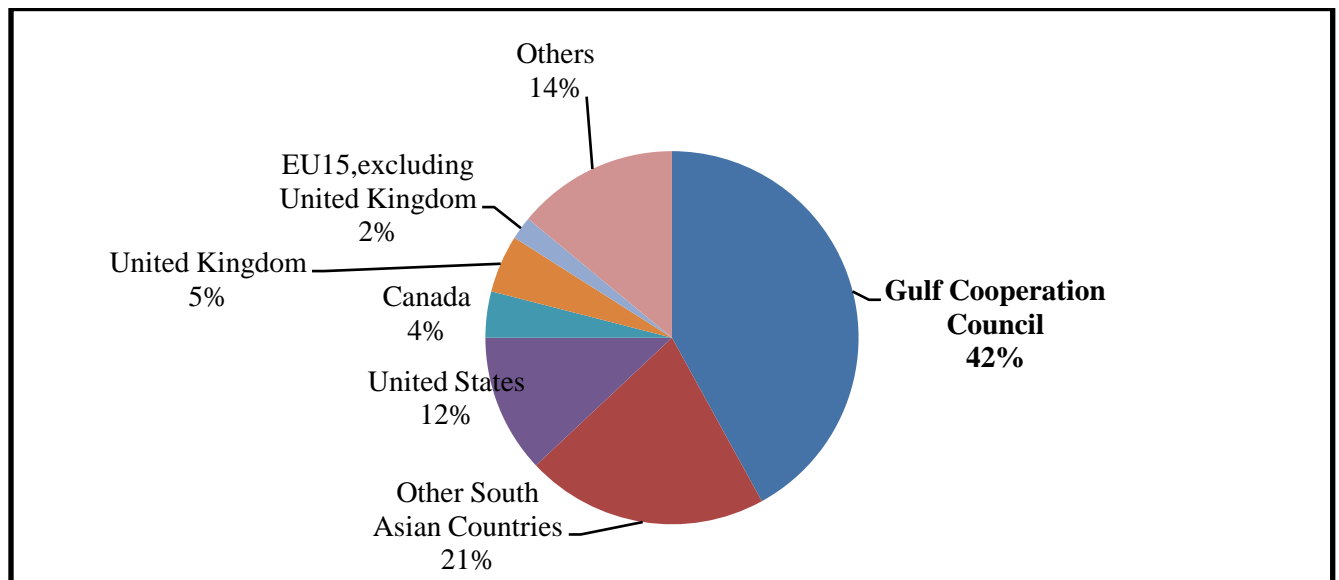
Introduction

In recent years, a significant increase in the growth of international migration and remittance flows and awareness of their development impact has led to a resurgence of interest by

academics, policymakers, and analysts in what has been referred to as the third leg of globalization and the other two being international trade and international capital flow. At present, most countries of the world are affected by international labour mobility, as either receiving, sending or transit countries. According to the World Bank, an estimated 247 million people are currently living outside their country of origin, which accounts for 3.4 percent in global population (Migration and Remittances Fact book ,2016) .

India is also one of the major contributors of emigrant population as a country of origin, transit and destination in international migration. As per United Nations Department of Economic and Social Affairs,2015 India has the largest Diaspora population in the world, with 16 million Indians living outside the country they were born in.

Figure 2: India Migration: Breakdown by Major Region



Source: Mohapatra & Ratha. 2009

One of the largest concentrations of Indian migrant workers, in the world can be found in the six Gulf States - Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman: members of the 1981 established the Gulf Cooperation Council (GCC). Out of 12 million Indian migrant stock across the globe in 2011, the Gulf region accounts for 6 million or 50 per cent of the Non -resident Indian emigrants. They are the important source of remittances to India. Major

share of remittances comes from high migrating states –Kerala, Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Punjab, Gujarat, Maharashtra and Goa. It has been also seen the emerging trend some of the new states, like Uttar Pradesh, Bihar, Rajasthan and West Bengal. (Ministry of External Affairs, 2016)

Social and Economic Characteristics of the Emigrants and Emigrant- Households

Regarding the socio-economic characteristics of the migrants, it is found that the majority of migrants were young adults whose average age was 27 years. The young persons were preferred mainly because of their high efficiency for all types of works. The socio-economic background of these migrants is poor and rural. The study supports the general trend of male dominated labour migration from India to Gulf countries. All the migrants from the study area were male corroborates with general trend of male dominated gulf migration leaving behind their female counterparts. No female migrants to the Gulf countries were found from this area. The reason lies in the deep rooted customs where females are supposed to look after the household chores and children. In addition to in addition to unfavorable policies and societal attitudes towards female labor migration in the study area (Thimothy & Sasikumar, 2012). Most of the migrants workers found to be less educated and had not completed high school education. Little more than one third of the migrants had studied up to matriculation or beyond. This study also reveals that large majority of migrants were married which puts pressures on them to earn more money.

Factors contributing to migrate

The literature on international migration demonstrates that migrants are driven by economic motives (King 1997,). There may be several factors behind a migration process. But the motivation of emigrants is decisive in the dynamic process of migration. In the study area, Respondents were asked about the factors that contributed to their decision to migrate for jobs abroad. The role of these underlying factors has been empirically verified by clubbing into two main factors push and pull factors (Prasai, 2009). In push factors, we have included three factors, namely, unemployment, shortage of land and repayment of debt. In pull factors, we have included, two main factors, namely, higher income opportunities and better employment. We asked the respondents to choose only two main reasons for the migration of their family

members, and, we further asked them to rank these causes in order of preference. The ranking choice are based on the subjective judgment of respondents. The distribution of migrants, by the most important reason for migration is given in table

Table.1.Factors Contributing to the Decision to Migrate

Reasons for migration	Most important reason		Second most important reason	
	No. of Migrants	Percentage	No. of Migrants	Percentage
<i>Push factors</i>				
Unemployment	80	26.7	42	14
Shortage of land	79	26.3	6	2
To repay Debt	37	12.3	47	15.7
<i>Pull Factors</i>				
Better employment	16	5.3	12	4
Higher income oppurnuites	88	29.3	193	64.3
Total	300	100	300	100

Source: Field survey

As per the data it is reflected that majority of the migrants stated by the respondents to have most importantly migrated for ‘better income opportunities and wages were important elements in this category. There are about 29 per cent of the migrants reported higher incomes as the sole motive for their migration. They expected that they could easily discharge their family obligation with their highly paid gulf job . However, ‘unemployment’ was stated as the second ‘most important’ reason for migration . The shortage of land was identified as the third most important reason for migration. This was revealed by more than one fourth (about 26 per cent) of the respondents. The

land held by them was found inadequate for their livelihood which seems to have compelled them to go elsewhere to earn more income so that they could support their families. A significant 12.3 per cent of the respondents had also stated ‘repayment of debt’ as the most important reason for migration. Among other factors, better employment represents lowest percentage among the migrants’ desire to migrate (David, 2016)

When asked about the second most important reason for migration, overwhelmingly ‘Higher income opportunities’ was most ranked with 64 per cent. What is important to note here is that a significant 15.7 per cent of the informants stated ‘repayment of debt’ as the second most important reason for migration of their primary migrants. A significant 12 per cent of migrants from the sample households were also stated to have also moved because of ‘unemployment’. With respect to “Better employment” was 4 percent of migrants preferred. Among other factors, shortage of land represents lowest percentage among the migrants.

Thus we observe that the above stated reasons are largely economic in nature, which implicitly refers to the desire of the migrants to raise their standard of living, to accumulate more saving, most importantly repay of debts and marriage of their daughters, besides construction of good houses, renovation of existing structures, purchasing of land and household items, and attendance of children in good educational institutions. Thus we find migrants’ motivation earning more money for specific purposes.

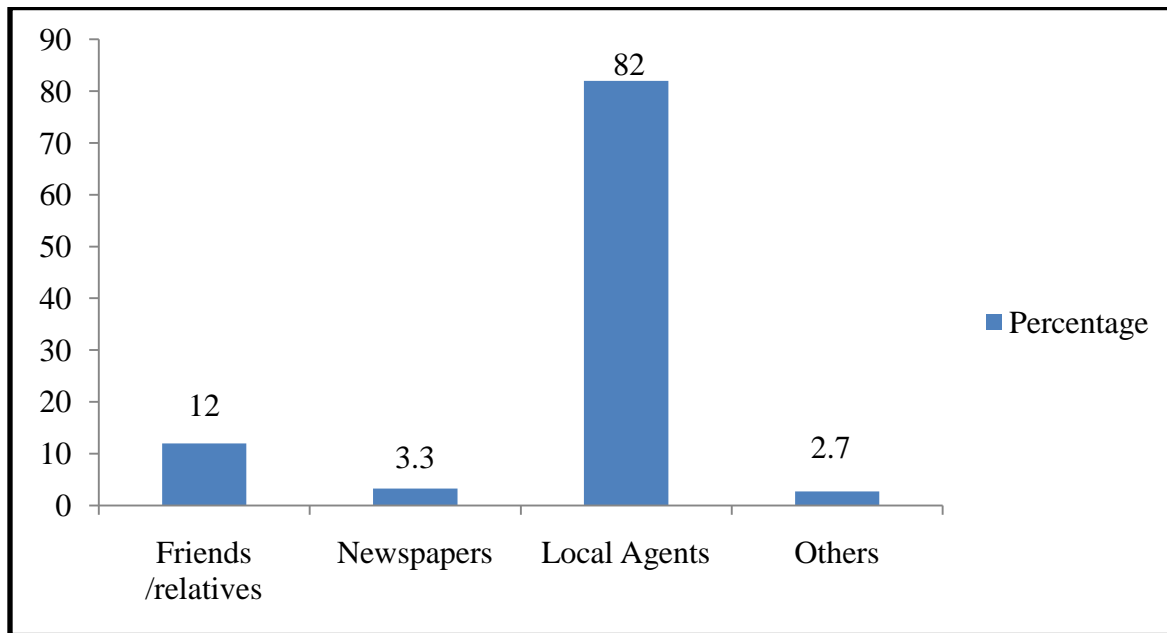
We notice in the study that the push factors are dominant among all migrants from this area. Overwhelmingly more than two-thirds of respondents cited distress push factors, i.e. unemployment, underemployment, no land or shortage of land and repayment of debt as most important reasons for migration. This seems to imply that migration was not a choice for poor people, but it was the only option to solution for the family. Eventually, migration process is likely to continue as long as the push factors prevail in the study area. (Sampath, 2006; Ajay, 2015)

Source of Visa

In our study area, migrants did not get job by their own efforts in Gulf countries. They were recruited through local agents and intermediaries. These intermediaries are friends, family,

relatives, community members, current and returnee migrants who build trust with the potential migrants and have guided them in the migration process. Because many of migrants are less educated and economically poor and the idea of traveling to a major city to interact with a licensed agent or with a government official is too daunting, expensive, or impractical. They often choose to work with sub-agents anyway because people find it easier and more accessible to initiate the migration process.

Figure1: Percentage of Migrants by Sources of Visa in the Gulf



Source: Field survey

Figure:1 illustrates that overwhelmingly more than 80 percent of migrants got jobs in Gulf countries from the local sub-agents.. As observed in study area, network of sub-agents attract local aspirants in general and youth in particular with pretext of arranging highly paid jobs in gulf countries. They generally keep track of workers interested in foreign employment in their communities, and approach them using their networks. Sub-agents usually evaluate and assess the potential candidates to ensure that they meet the requirements of the job demand prior to referring them to Recruitment agencies. They are usually a part of the migrants' community who invest on social relations to fulfill their self interest with commission. They often target less populated and less educated areas with strong social networks at village, and household levels.

Significant number of migrants in our study are less educated and some are illiterate. On the other hand 12 of the respondents came to know about these prospects and opportunities with the help of friends and relatives. Since the process of migration to the Gulf had been going on for a long time and almost every family would have had at least one of their relatives or friends already abroad, After the initial period of settlement of the at the destination, current migrant facilitates the migration process by provides information about employment oppurnuites to the aspirant migrants.

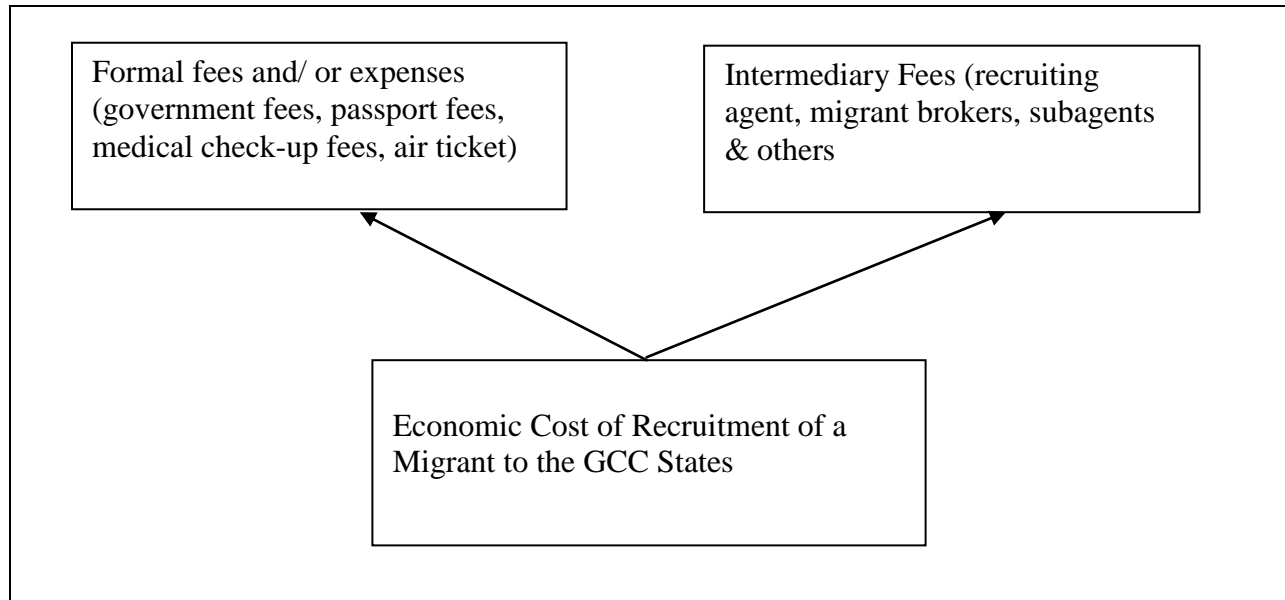
It is interesting to note that less than 4 percent of educated migrants in made contacts with labour migration agencies through newspaper advertisements.. Remaining less than 3 percent migrants got visa from community members, current and returnee migrants. From the above discussion, we conclude that dependence on local agents for migration found to be very significant(Ajay,2015). Recently ,Govt of Telangana has setup ,recruiting agency TOMCOM Telangana Overseas Manpower company to provide training to workers in line with international standards, facilitate skill testing and certification, and extend pre-departure orientation programmes to familiarize workers with overseas working conditions . However, according to Rajan (2010) study in Kerala, most of the respondents get information through social networks ,i.e., friends, relatives, and neighbors.

Transaction cost of migration

The ideal scenario for persons seeking international employment would be one that is minimum cost and offers maximum returns. However, the practicality is far removed from the ideal; and international migration, in most cases, involves exorbitant cost. In the case of Indian migration to the Gulf countries, wages have fallen and agency recruitment costs have risen due to changing international economic dynamics (Gamburd, 2000: 63). Aspirant migrants are required to make some form of upfront payment regardless of the channel of recruitment. The costs of migration include economic and social costs. Significant proportion of costs are economic costs and can be further classified into official and unofficial costs. However, the social costs of migration also cannot be ignored, such as pain and agony suffered by migrants during migration process, loss of employable youth in most productive ages, increase in

dependent population left behind, and loneliness among the left behind wives due long absence of their husbands from their lives. There are several processes involved in migrating to another country and the entire procedure is very expensive. It involves expenses such as passport fees, visa procurement fees, government fees for emigration clearance, medical check-ups, insurance, travel airfare, payments to recruiting agencies, etc and other transportation costs are some of the major areas of expenses although there are some exceptions. For instance, social network-assisted migration sometimes incur less cost than recruiting agency-assisted migration and typically required to pay a full amount of set fees before departure for a destination country. Existence of multiple recruitment players including employers, overseas recruiting and clearing agents, contracting companies in destination countries and Officials, Recruiting agents, Sub-agents at lowest level, Middle men and unauthorized agents seem to be mainly responsible for these higher costs due paid commissions. In some cases there is also a risk and cost of being defrauded, fake visas and travel documents and even friends/relatives of the overseas employed are involved in the chain, in varying depth and intensity, taking advantage of the situation in major exporting countries like India, Bangladesh, Pakistan, Nepal and Srilanka (Rajan, 2011, Mizanur Rahman 2011, Masud ali). This has made the cost of emigration skyrocket under different heads and items.

Figure2 : Distribution of Economic Cost of Recruitment



One of the major concerns originated in our study was the economic cost of migration for both the workers and their households. Although there is a debate about exactly which fee components make up a “recruitment fee,” ILO conventions unambiguously ban the charging of migrants and workers for service fees affiliated with their own recruitment. Charging migrant workers for their own recruitment is illegal under international law and the laws of all six GCC countries. As per the International Labour Organization (ILO) Convention 1949 concerning Private Employment Agencies (No. 95) has prohibited the charging of recruitment fees to workers: “Any deduction from wages with a view to ensuring a direct or indirect payment for the purpose of obtaining or retaining employment, made by a worker to an employer or his representative or to any intermediary (such as a labour contractor or recruiter), is prohibited.” This principle has since been included in multiple ILO conventions, including the Protection of Wages Convention of 1949 (No. 95), the Migration for Employment Convention of 1949 (No. 97), the Migrant Workers Convention of 1975 (No. 143), the Private Employment Agencies Convention of 1997 (No. 181), and the Convention on Domestic Workers of 2011 (No. 189). However, all GCC countries and major South Asian migrant-sending countries like India, Pakistan, and Nepal, with the exception of the Philippines, have failed to ratify these ILO Convention which combines many of the rights protections contained in the ILO Conventions.

Migrants expenses include passport, and visa-fees, emigration clearance, charges for medical check ups, , flight-fares and Agents service charges .In the study ,a breakdown of the cost by all

component items was not possible . Due to fact that,some migrants had not incurred all the expenses. A few have not paid for their ticket or visa fees as these were provided by the employer. Quite often, payment was on installment basis and most of them had not paid directly to employer or recruitment agency but through the local sub-agent. Moreover recollecting detailed and accurate breakdown of respective charges was found to be difficult for illiterate and semi illiterate migrant. However they could reveal total cost incurred at time of migration.

TABLE 2: Total Costs Incurred during the Process of Migration

Amount spent (Rs)	Number of Migrants	Percentage
Less than 20,000	4	1.30
20,000-40,000	8	2.70
40001-60000	30	10.00
60001-80000	81	27.00
80001-100000	99	33.00
Above 100000	78	26.00
Total	300	100

Table 2 represents total amount of fees paid by emigrant workers on various heads include Passport, Visa, Medical test, Travel airfare, Agents service charge and Sub-Agents commission. The average cost of emigration of the migrants was Rs. 96,748 . The emigrant household survey also confirms that some people were able to emigrate spending Rs.25,000, whereas some others had to spend as much as Rs. 195,000. Most of the first time emigrant was very expensive . As the years progress, the cost of migration also increases, but repeated emigration costs less. The majority of workers, paid on an average, namely between rupees 90,000 and 20,000 for all services . Interestingly, 4 per cent of workers who had received help from relatives paid rupees 40,000 and below. It was reported that a few migrants did not pay for Visa as they were arranged by their relatives at free of cost from the Arab employers.

Only about less than 2 per cent of the migrants had incurred less than Rs.20000. Early migrants and skilled workers paid less than the current and unskilled migrants. Over a time of period cost

of emigration increased many times. Moreover, it is also found that even more than half of the migrants had to pay over rupees 80,000 and above as the cost of migration.

Table:3 Government stipulated maximum recruitment charge for migrants

	Country	Rupees(INR)
1	India	20000
3	Pakistan	4680
4	Bangladesh	79950

Source: Authors compilation from various sources

As shown in table 3, Pakistan have been seen to overlook the maximum service charge fee of INR 4680 which is fixed by the Bureau of Emigration and Overseas Employment (Arif,2009). The Bangladesh Government sets INR 79950 as a maximum recruiting charge for migrants going to the Gulf states (Martin, 2010:12). However actual recruitment cost is more government than stipulated rates

Agents Commission

In the absence of official arrangements in organizing the flow of workers to Gulf countries, intermediaries have come to exist. Many migrants reported that they paid directly to the local intermediaries for the purpose of completing the whole migration process. During interviews with Key Informants, multiple Agents it was found that Sub-agents at local level, commission ranges from 10,000 to 20,000 rupees depending on the job category. Sometimes in the desperation to go abroad, less educated unskilled migrants pay more for getting clearances without proper documents, and engaged in corruption. (Dovelyn, 2012) Illegal acts included obtaining fake documents, certificates, etc. Prevalence of cumbersome and rigid regulations can easily breed corruption and force agencies and migrants out of the legal system and into the irregular channels. A sub-agent would collect money from a worker claiming to pay off government officials that could provide the required documents.

For example a token amount to the police in order for them to expedite the issuance of a passport, at times, seen to be necessary by workers. Expenses of boarding and lodging during the stay in Bombay and Delhi and the other centers of recruitment for emigration clearance made

migration process very costly affair for the migrants . The range of overall cost of emigration from a lowest rupees 25000 to as much as Rs. 1,95,000, indicates signals the existence of both fair players and extremely exploitative foul players in the field. This is true in the case of other items of cost involved like air travel, medical testing, insurance, emigration clearance, etc. Generally sub-agents earn more than one thousand rupees as commission in the name of medical tests but actual cost would be ranging from rupees 500 to rupees 1000. In the case of GCC countries, for instance, only GAMCA (GCC Approved Medical Centres and Associations) licence holders are entitled to give medical fitness certificates to the intending emigrants. (*CARAM Asia Report ,2007*) .

With regard to cost of air travel which is to borne by employer but in the field survey it was revealed that more than half of the emigrants have spent more than Rs.15,000 towards air tickets to Agents .Further Agents allegedly receive a commission from insurance companies/agents to whom they send the emigrants for obtaining the mandatory insurance cover .

Government of India in 2003, introduced the compulsory insurance scheme, namely Pravasi Bharatiya Bima Yojana, to provide protection to the unskilled and semi-skilled emigrants under the ECR category in case of eventualities and misfortunes happening during their stay in destination countries. The stipulated government fee for emigration clearance is Rs. 200 per passport. The average spending by the persons emigrating through Agents in this regard is Rs. 2000 and Rs. 3000 . This is another source of income for agents that goes unrecorded, and a layer of costs that is potentially passed on to the worker.

Conclusion

To conclude, our data makes clear that, circumstances at home, coupled with pursuit of a better life, motivate many low- and semi-skilled workers to opt for migration despite the high costs and risks. This, in turn, has opened the door of “culture of paying.” to yield quick results for entry multiple players into the business of recruitment, and to increase exponentially the cost of migration. As a result, migrant workers now are not only compelled to pay more money than ever before, as additional charges to various actors at different stages of the recruitment process accumulate.

Policy recommendations

- 1. Data on emigration need to be strengthened:** In order to fill research gaps to enable to formulate evidence-based policies and standards ensuring safety for all labour migrants and protection of labour rights including the right to redress of grievances. There is need for mapping of migration countrywide for ascertaining the true level of migration across districts and states and role of migration in the socio economic lives of the households in these states. To that extent develop migration profiles of states, including nature,time,duration and magnitude of migration cycles ,multiple reasons for migration ,sector-wise contribution of migrants , remittances including their contribution to Gross Domestic Product by engaging research institutions and with the support of NGOs, Civil society organizations, Labour departments and Panchayat bodies at local level.
- 2. Registration of migrants** It should be made mandatory for all the migrants to register their details at district collector office in India as well as in the Embassy office located in the Gulf countries. They should give the details about their terms of contract of employment . It will help the policy makers to frame welfare measures for the migrants.
- 3. Migrants' Welfare Bank:** In order to curb the dependence on informal sources of loans to finance migration, the government should develop a policy for providing low-interest loans to foreign labour migrants through Migrant Welfare Banks besides, commercial banks and private sector banks to finance migration costs under Corporate Social Responsibility arrangements. For availing such assistance, the migrants may be required to submit visa documents, and employment contract papers with the help of authorized-registered recruiting agencies.
- 4. Pr-Departure Training :** Government should ensure that each foreign job seeker personally attends the mandatory pre departure orientation training . Opening branch offices at the district level and engaging civil society organizations and penalize those recruitment agencies and agents who issue spurious pre departure orientation training certificates.
- 5. Skill development centers:** The government should ensure that aspirant migrant workers have an opportunity for training in skills that are in demand in the destination countries. The

curricula of the government Technical Training Centres (TTCs) need to be redesigned to provide training in trades that are in demand abroad. The TTCs should be encouraged to seek accreditation from internationally recognized training authorities.

6. **Intergovernmental collaboration** and partnerships to develop institutional arrangement for helping negotiate migration costs, standardized job contracts, emigration and immigration management, protection of workers, etc.

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