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BROOKINGS

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INDIAN WORKERS IN THE GULF: TOO LITTLE BUT NOT TOO LATE

KADIRA PETHIYAGODA¹

INTRODUCTION

In July 2016, Saudi Arabian construction conglomerate, Saudi Oger, laid off thousands of workers. The construction industry had been badly affected by spending cuts on infrastructure projects following the drop in oil prices. Some of the laid off workers allegedly had not received salaries for over seven months. Reports emerged that the company had stopped providing food to its employees, who without their wages, were unable to obtain food elsewhere, leaving them in a dire situation.² By August, Indian officials reported that more than 2,500 Indian workers had gone without food for 10 days.³

Around 8.5 million Indians live and work in the Gulf, the vast majority of them semi-skilled or unskilled workers.⁴ These workers constitute an important source of income for India and are contributing to the success and well-being of Gulf economies. Despite this, the Gulf's Indian diaspora faces serious and well-documented challenges to its labor rights.

For decades, the Indian government's response to these challenges was insufficient and

piecemeal. There have been signs of change in recent years as new incentives have emerged encouraging India to do more to protect migrant workers. Yet, the government's efforts remain limited and sluggish despite them. The plight of its workers can only be alleviated if India steps in with a comprehensive plan to engage with Gulf states, multilateral efforts, recruitment agencies, and employers on their behalf. This policy briefing discusses how that can take place.

INDIAN WORKERS IN THE GULF

Major flows of Indian workers to the Gulf began after the surge in oil prices in 1973, which was followed by large-scale development activities. The growth of unskilled labor from India and Pakistan in the Gulf was close to 200% between 1970 and 1975.⁵ A few decades later, the first Gulf war saw another surge in Indian workers to replace expelled workers from Arab countries that did not fully support the effort to push back Iraqi forces from Kuwait. The following table shows the breakdown of Indian workers per country as of 2016.

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² Rohan Joshi, "Bridging the Gulf: Securing India's Migrant Workers in the Middle East," *The Diplomat*, August 10, 2016, <http://thediplomat.com/2016/08/bridging-the-gulf-securing-indias-migrant-workers-in-the-middle-east/>.

³ Rama Lakshmi, "Thousands of Indian Workers Stranded in Saudi Arabia Without Pay or Provisions," *Washington Post*, August 1, 2016, https://www.washingtonpost.com/world/middle_east/thousands-of-indian-workers-stranded-in-saudi-arabia-without-pay-or-provisions/2016/08/01/4cae2d00-a08c-4611-b975-cef59ff83d3a_story.html?utm_term=.5b622355f287.

⁴ Indian Ministry of External Affairs (MEA), "Population of Overseas Indians," December 2016, http://mea.gov.in/images/attach/NRIs-and-PIOs_1.pdf. Figures cited in various sources can vary.

⁵ M. Azhar, "Indian Migrant Workers in GCC Countries," *Diaspora Studies* 9, no. 2 (2016): 100.

Table I: The Size of the Indian Diaspora in the GCC

Country	Indian Population ⁶	Total Population (in Millions) ⁷	Indians as % of Population
Bahrain	316,000	1.4	22.1
Kuwait	923,000	4.1	22.8
Oman	796,000	4.4	18.0
Qatar	600,000	2.6	23.3
Saudi Arabia	3,005,000	32.3	9.3
UAE	2,804,000	9.3	30.2

Source: MEA, 2016; United Nations, 2017.

The Indian diaspora can be divided into two categories: highly-skilled and skilled workers; and semi-skilled and unskilled workers. In 2014, highly-skilled and skilled workers only constituted around 30% of Indian labor in the Gulf while the remaining 70% were semi-skilled or unskilled.⁸ This paper will focus specifically on that latter group, given its size and the many challenges it faces.

CHALLENGES FACING THE INDIAN GULF DIASPORA

A large proportion of semi-skilled and unskilled Indian workers in the Gulf suffers harsh conditions and is denied basic labor rights. For many workers, this situation has become worse following the economic downturn associated with the recent drop in oil prices in many energy exporting Middle Eastern states.

Most private sector employment of Indian workers in the Gulf operates within the visa sponsorship, or kafala, system. While there have recently been some reforms, the kafala system still ties a foreign worker's residency permit to a sponsor. Workers require written consent from their sponsors to change employers or exit the country under normal circumstances. This practice has been condemned by the International Labour Organization (ILO).⁹

In addition to denying foreign workers the basic human right of freedom of movement, the kafala system fosters a legal system that lacks basic protections for migrant workers, nurturing a fertile ground for employers and employment agencies to abuse the system. For instance, sponsors can delay paying wages, confiscate passports, and deport workers without cause. Meanwhile, authorities have

⁶ MEA, "Population of Overseas Indians."

⁷ United Nations, "World Population Prospects: The 2017 Revision," Department of Economic and Social Affairs Population Division, 2017. Custom data was acquired via website.

⁸ Binod Khadria, "The Dichotomy of the Skilled and Unskilled Among Non-Resident Indians and Persons of Indian Origin: Bane or Boon for Development in India?" in *Indian Skilled Migration and Development: To Europe and Back*, ed. G. Tejada, U. Bhattacharya, B. Khadria, and C. Kuptsch (India: Springer, 2014), 36.

⁹ Ibid; International Labour Organization (ILO), "Reform of the Kafala (Sponsorship) System," Policy Brief no. 2, <http://www.ilo.org/dyn/migpractice/docs/132/PB2.pdf>.

often failed to charge and prosecute sponsors for breaking laws and breaching contracts.¹⁰

Domestic workers, mostly women who work in family homes, in particular suffer from a lack in legal protection. They face a range of abuses including overwork, food deprivation, forced confinement, and psychological, physical, verbal, and sexual abuse.¹¹ Similarly, workers in infrastructure and development projects often end up living in cramped labor camps with inadequate facilities and harsh working conditions, where they are unable to participate in social and cultural activities.¹²

Abuse can be tracked back to the initial stages of employment when workers in India are first recruited to work in the Gulf. Workers are often lied to and mistreated by recruitment agencies which have proliferated due to high turnover rates. Recruitment agencies sometimes collude with prospective employers, or fake employers, to exploit illiterate and ill-informed workers.¹³ They promise false wages and conditions and misinform workers about their rights.

The United Nations Development Programme affirms that foreign workers in the Gulf Cooperation Council (GCC) face such challenges, noting that they stem from racism, social exclusion, lack of accountability, and

abuse of power by their employers.¹⁴ The conditions of migrant workers in the Gulf regularly fail to adhere to the ILO's Declaration on Fundamental Principles and Rights at Work, namely the right to freedom of association, the right to collective bargaining (e.g. for better wages or benefits), and the elimination of all forms of forced or compulsory labor.¹⁵ Gulf states have also not ratified the Freedom of Association and Protection of the Right to Organise Convention which was adopted by the International Labour Conference in 1948. As such, migrant workers cannot form unions or protest these unfair labor practices.¹⁶

HISTORY OF INADEQUATE RESPONSE FROM DELHI

New Delhi has traditionally provided piecemeal responses to the issues faced by Indian workers in the Gulf, reacting to individual crises as they happen. This has, to some extent, continued under Prime Minister Narendra Modi's Government.

For instance, in response to the aforementioned layoffs in Saudi Arabia, the Indian government rushed emergency food supplies to the stranded workers. Indian Minister of State for External Affairs Vijay Kumar Singh himself traveled to Jeddah to arrange for the workers' repatriation to India. This was a cumbersome and

¹⁰ Human Rights Watch (HRW), "Saudi Arabia," in *World Report 2016: Events of 2016*, 2016, 484-491, <https://www.hrw.org/world-report/2016/country-chapters/saudi-arabia>; Amnesty International, "Saudi Arabia," in *Amnesty International Report 2016/2017: The State of the World's Human Rights* (London: Amnesty International Ltd, 2017), 312-316, <https://www.amnesty.org/en/countries/middle-east-and-north-africa/saudi-arabia/report-saudi-arabia/>.

¹¹ HRW, "Middle East Failing to Protect Domestic Workers," October 28, 2013, <https://www.hrw.org/news/2013/10/28/middle-east-failing-protect-domestic-workers>; Office of High Commissioner on Human Rights (OHCHR), "Compilation of UN Information," Saudi Arabia Universal Periodic Review (UPR), Human Rights Council Working Group, 17th Session, August 6, 2013, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G13/161/46/PDF/G1316146.pdf?OpenElement>; OHCHR, "Summary of Stakeholders' Information," Saudi Arabia UPR, Human Rights Council Working Group, 17th Session, July 24, 2013, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G13/158/98/PDF/G1315898.pdf?OpenElement>.

¹² Binod Khadria, "The Dichotomy of the Skilled and Unskilled," 36.

¹³ Ibid.

¹⁴ OHCHR, "Summary of Stakeholders' Information."

¹⁵ ILO, "ILO Declaration on Fundamental Principles and Rights at Work and Its Follow-up," adopted on June 18, 1998, <http://www.ilo.org/declaration/thedeclaration/textdeclaration/lang--en/index.htm>.

¹⁶ HRW, "Saudi Arabia: Steps Toward Migrant Workers' Rights," November 15, 2015, <https://www.hrw.org/news/2015/11/15/saudi-arabia-steps-toward-migrant-workers-rights>.

complicated process that involved obtaining no-objection certificates from the employer and relying on the Saudi government to issue exit permits.¹⁷

Such situations are bound to arise repeatedly in the absence of a more strategic approach to resolving crises and disputes from Delhi. Yet when External Affairs Minister (EAM) Sushma Swaraj chose to mention these developments in Parliament, she cast Delhi's efforts in a positive light.¹⁸ Her remarks suggest that any embarrassment the plight of the workers caused the government was outweighed by the pride taken in Delhi's response, which could be touted for political gain.

This reactionary approach comes despite efforts from diaspora organizations to push for more proactive policies.¹⁹ These organizations have developed pressure groups that have been active on issues such as the compensation of the relatives of emigrants who die overseas, imprisonment of emigrants abroad, safety and security of emigrant families, and loans for emigrants. At the state level, these groups have had some success in highlighting worker welfare issues, forcing state governments to adopt some protection measures. Nevertheless, there remains a "great chasm" between the diaspora community's expectations and government policies.²⁰

WHY THE INACTION FOR SO LONG?

There are a number of explanations for this halfhearted response to diaspora affairs. For

much of the time since independence, India's overwhelming challenge was poverty, and the government largely accepted any working conditions that would bring in remittances. In many cases, the level of destitution facing migrant workers at home was worth the risks of employment in the Gulf. This has, however, recently begun to change to some degree with the burgeoning of India's middle class.

Another reason is related to the socioeconomic background of the majority of India's Gulf diaspora. Most semi-skilled and unskilled workers are employed in manual labor, come from the poorer sections of society and as such have less influence on government policy. For instance, in labor-exporting Kerala, the impact of the diaspora on "day-to-day" state politics is said to be minimal.²¹ Given the history of stratification in Indian society under the caste system, diaspora members on lower socioeconomic rungs may also have been reluctant to engage the government and demand action. As a result, they are not likely to influence policymaking elites in India, even indirectly.

This is evident in the Indian media's disparate coverage of abuse faced by Indians overseas. The media outrage that followed the criminal attacks on Indian students in Australia, for instance, stands in stark contrast with the relative apathy toward the treatment of Indians in the Gulf.²² This is even though the attacks in Australia were not the result of unfair laws, were addressed rapidly by authorities, and were not systematic or part of a long-term, consistent

¹⁷ Indo-Asian News Service, "Centre Ensuring Protection of Indian Workers in Gulf Countries: Sushma Swaraj," *NDTV*, August 11, 2016, <http://www.ndtv.com/india-news/centre-ensuring-protection-of-indian-workers-in-gulf-countries-sushma-swaraj-1443197>; Kallol Bhattacharjee, "Return, Indians Stranded in Saudi Arabia Told," *The Hindu*, August 23, 2016, <http://www.thehindu.com/news/national/Return-Indians-stranded-in-Saudi-Arabia-told/article14585123.ece>.

¹⁸ Lakshmi, "Thousands of Indian Workers Stranded in Saudi."

¹⁹ A. Didar Singh and S. Irudaya Rajan, *Politics of Migration: Indian Emigration in a Globalised World* (New York: Routledge, 2015), 136.

²⁰ *Ibid.*, 139.

²¹ Singh and Rajan, *Politics of Migration*, 136.

²² "Indians in Oz Blame Media for Blowing Issue out of Proportion," *The Economic Times*, June 2, 2009, <http://economictimes.indiatimes.com/news/politics-and-nation/indians-in-oz-blame-media-for-blowing-issue-out-of-proportion/articleshow/4609234.cms>.

pattern. The reaction in India is likely in part because the Indian students in Australia hailed from India's rising middle class, unlike most Indian workers in the Gulf, particularly those at most risk of abuse.²³

Finally, the lack of policy-will to act is also linked to the nature of Gulf states. Unlike India's diaspora in the West, migrants in the Gulf often occupy the lowest socioeconomic rung within host societies, have no access to citizenship or permanent residence. The diaspora in the Gulf have less lobbying power than those based in Western countries, preventing them from purposefully influencing host-state policy toward India. This is unlike, for instance, the diaspora in the United States, which is the wealthiest and most educated minority group in the country and plays a significant role in supporting India's bilateral relations there.²⁴ This makes the Gulf diaspora less important to India's foreign policy interests.

SIGNS OF CHANGE IN INDIA

Over the last decade, while the reactionary approach to dealing with the issues of workers in the Gulf has continued, a foundation has gradually been set for a more comprehensive strategy by the Indian government. India established institutions to specifically deal with diaspora affairs while the diaspora slowly featured more prominently in memorandums of understanding (MOUs), government statements, and high-level visits. Internationally, concerns for the diaspora in the Gulf have played into India's outlook on global security. Domestically, the Indian government

has granted states more say in foreign policy, allowing labor-exporting states to better act on their priorities.

A MINISTRY OF DIASPORA AFFAIRS

One significant turning point was in 2004, when Manmohan Singh's government established the Ministry of Overseas Indian Affairs (MOIA). The MOIA's mission was to "establish a robust and vibrant institutional framework to facilitate and support mutually beneficial networks with and among overseas Indians to maximize the development impact for India and enable overseas Indians to invest and benefit from the opportunities in India." In 2016, Modi merged the MOIA into the Ministry of External Affairs (MEA) and gave responsibility for overseas Indians to the external affairs minister, recognizing the diaspora as an integral part of India's broader foreign affairs agenda. By the time of the merge, the MOIA was relatively small, with two overseas diplomatic representatives, one of them in Abu Dhabi.²⁵ While some of its work targeted the more influential Indian diaspora in the West, it also introduced specific initiatives targeting the Gulf.

THE DIASPORA IN MOUs, VISITS, AND GOVERNMENT STATEMENTS

Prior to its merger, the MOIA was fairly active, signing MOUs on labor with numerous GCC states. These followed a visit to the Gulf by Minister for Overseas Indian Affairs Vayalar Ravi in 2009, where he requested India's embassies to forward reports on labor issues to

²³ The novelty factor of the attacks in Australia may also have contributed to media coverage, as opposed to the Gulf where the situation of Indians is already well-known.

²⁴ Sanjoy Chakravorty, Devesh Kapur, and Nirvikar Singh, *The Other One Percent: Indians in America* (Oxford: Oxford University Press, 2016).

²⁵ Ministry of Overseas Indian Affairs (MOIA), "Annual Report 2014-15," Government of India, 9, <https://www.mea.gov.in/images/pdf/annual-report-2014-15.pdf>.

the MOIA, flagging issues like the non-payment of wages, problems with labor accommodation, and visa rackets. The reports were then used to draft MOUs that addressed those issues. In an MOU with Bahrain, for instance, the parties agreed to take steps to protect Indian workers beyond the purview of the labor law.²⁶

But India's increased attention to diaspora affairs has extended beyond the ministry. More recently, the Modi government began indicating a greater appreciation for the value of the diaspora in the Gulf, further signaling the beginning of a proactive approach. Many major government statements on India's interests in the Gulf mention the diaspora, providing it an equivalent level of attention to energy interests.²⁷

Perhaps most prominently, the prime minister made the diaspora a central focus of his visits to Gulf states in the last two years. His first stop was the UAE, where his visit featured a public address to a stadium of 50,000 expatriate Indians. Noting the substantial proportion of attendees from Kerala, he spoke in Malayali as he announced that the UAE had set aside land to build the first Hindu temple in Abu Dhabi.²⁸ The construction of the temple has been couched as a form of recognition of the

diaspora. Modi also visited a migrant labor camp and expressed concern for the well-being of workers living there.

The external affairs minister has been similarly involved with the issue. In her 2014 visit to Bahrain, Swaraj attended the inaugural Indian Diaspora Engagement meeting, organized by the Overseas Indian Facilitation Centre.²⁹ When she visited Oman in 2015, she made a statement that described the welfare of the Indian diaspora as one of the top priorities of the Modi government. She also announced the Indian Community Welfare Fund, which provides lodging, emergency medical care, air passage, legal assistance, and other services to migrants in need.³⁰ In 2016, the EAM chaired the first India-Arab League ministerial meeting, which the MEA described as "pivotal for our interests," citing diaspora issues, in addition to energy security.³¹

INTERNATIONAL SECURITY TO PROTECT THE DIASPORA

The diaspora has also been featuring in other aspects of India's foreign relations. Delhi's recent drive to expand security ties with the Gulf can be interpreted to be partly driven by the need to provide security and stabilize conditions for its diaspora.³² Increasing security

²⁶ MOIA, "Bahrain: Memorandum of Understanding Between the Republic of India and the Kingdom of Bahrain on Labor and Manpower Development," Government of India, accessed April 23, 2017, <http://gulfmigration.eu/bahrain-memorandum-of-understanding-between-the-republic-of-india-and-the-kingdom-of-bahrain-on-labor-and-manpower-development/>.

²⁷ See for instance: MEA, "Visit of External Affairs Minister to the Kingdom of Bahrain," September 3, 2014, <http://mea.gov.in/press-releases.htm?dtl/23969/Visit+of+External+Affairs+Minister+to+the+Kingdom+of+Bahrain+September+06+2014>; MEA, "Joint Statement Between the UAE and the Republic of India," Government of India, August 17, 2015, http://www.mea.gov.in/bilateral-documents.htm?dtl/25733/Joint_Statement_between_the_United_Arab_Emirates_and_the_Republic_of_India; MEA, "Official Visit of Prime Minister to the Kingdom of Saudi Arabia (April 2-3, 2016)," March 22, 2016, http://mea.gov.in/press-releases.htm?dtl/26562/Official_Visit_of_Prime_Minister_to_the_Kingdom_of_Saudi_Arabia_April_23_2016.

²⁸ MEA, "Joint Statement Between UAE and India."

²⁹ MEA, "Visit of External Affairs Minister to the Kingdom of Bahrain (September 06, 2014)," September 3, 2014, <http://mea.gov.in/press-releases.htm?dtl/23969/Visit+of+External+Affairs+Minister+to+the+Kingdom+of+Bahrain+September+06+2014>.

³⁰ "Welfare of Indian diaspora a top priority, says Sushma in Oman," *Business Standard*, February 18, 2015, http://www.business-standard.com/article/news-ians/welfare-of-indian-diaspora-a-top-priority-says-sushma-in-oman-115021800007_1.html; MEA, "Indian Community Welfare Fund (ICWF)," August 25, 2016, <http://www.mea.gov.in/icwf.htm>.

³¹ Sachin Parashar, "Sushma Swaraj in Bahrain for first India-Arab League ministerial meet," *Times of India*, January 23, 2016, <http://timesofindia.indiatimes.com/india/Sushma-Swaraj-in-Bahrain-for-first-India-Arab-League-ministerial-meet/articleshow/50695656.cms>.

³² Kadira Pethiyagoda, "India-GCC Relations: Delhi's Strategic Opportunity," Brookings Doha Centre, Analysis Paper no. 18, https://www.brookings.edu/wp-content/uploads/2017/02/india_gcc_relations.pdf.

relations are evident from Indian naval visits to the Gulf, joint exercises with regional navies, institutionalized links to Gulf states, and joint statements.³³

Similarly, India's position on regional conflicts is influenced by concern for its diaspora, given the significant threats they pose to Indians. That is partly why Delhi has been consistently suspicious of attempts at regime-change in Iraq, Libya, and Syria.³⁴ Delhi's past inability to politically influence international powers, combined with its lack of security presence, have led to costly evacuations, including the largest one in history during the Gulf War out of Kuwait.³⁵

EMPOWERMENT OF LABOR-EXPORTING INDIAN STATES

Internally, the Modi government has started giving states more say in foreign policy, a step that further enables the prioritization of diaspora matters.³⁶ States like Kerala have large diasporas in the Middle East and diaspora affairs are often their primary foreign policy concern. Modi's new policy has increased the influence of those states which are ruled by state-centered political parties that are not well represented at the national level. An Indian official stated that the initiative will help formalize and organize the involvement of state governments in Delhi's Gulf policy priorities.³⁷ In-line with

this policy, soon after Modi's 2014 election victory, Swaraj held meetings with MPs from some labor-exporting southern states to discuss issues relating to the Indian Gulf diaspora.³⁸

SOME CHANGE IN THE GULF

Some Gulf countries have recently taken steps to improve the conditions of migrant workers, though it is difficult to say how much of this was due to lobbying from the Indian government. For example, in October 2015, 38 amendments to the Saudi labor law went into effect. The Saudi Ministry of Labor and Social Development (MLSD) introduced and raised fines for employers who violated those regulations. The labor law reforms were followed by an awareness campaign aimed at promoting the rights of workers.

The changes prohibit the confiscation of passports and punish firms that fail to pay salaries. They require employers to provide workers with copies of their contracts, penalizing any violations to those contracts. Amendments also include provisions that increase paid leave and compensate job-related injuries.³⁹ They grant greater inspection and enforcement powers to the MLSD. Over 1,440 firms were reportedly shut down due to failure to safeguard workers' wages.⁴⁰

³³ Ramesh Mathew, "Ships' Visit Reaffirms Growing Indo-Qatar Relations," *Gulf Times*, September 14, 2015, <http://www.gulf-times.com/story/454981/Ships-visit-reaffirms-growing-Indo-Qatar-relations>; Raja Mohan, *Samudra Manthan: Sino-Indian Rivalry in the Indo-Pacific* (Washington, D.C.: Carnegie Endowment for International Peace, 2012), 160-62.

³⁴ Kadira Pethiyagoda, "India on Syria: The Rising Power's Position on a Global Conflict," *Huffington Post*, http://www.huffingtonpost.com/kadira-pethiyagoda/india-on-syria---the-risi_b_8953466.html.

³⁵ Rohan Venkataramakrishnan, "The Berlin Airlift Was Remarkable, But the Largest Civilian Evacuation in History Is by India," *Scroll.In*, July 2, 2014, <http://scroll.in/article/668866/the-berlin-airlift-during-ww-ii-was-remarkable-but-the-largest-civilian-airlift-was-by-india>.

³⁶ Senior official focusing on Middle East at the MEA, interview with author, Manama, Bahrain, October 31, 2015; MEA, "About Us," accessed May 11, 2017, <https://www.mea.gov.in/divisions.htm>. The administration has added a "States Division" within the MEA, revealing an appreciation of the value that state governments can add to India's foreign policy toolkit.

³⁷ Senior official focusing on Middle East at the MEA, interview with author, Manama, Bahrain, October 31, 2015.

³⁸ "Government to Address Problems of Indians Working in Gulf Countries: Sushma Swaraj," *DNA India*, June 9, 2014, <http://www.dnaindia.com/india/report-government-to-address-problems-of-indians-working-in-gulf-countries-sushma-swaraj-1994448>.

³⁹ HRW, "Saudi Arabia: Steps Toward."

⁴⁰ Abdul Hannan Tago, "1,441 Firms Shut for Not Complying with Salary Protection Program," *Arab News*, October 26, 2015, <http://www.arabnews.com/saudi-arabia/news/825921>.

However, Human Rights Watch (HRW) reported gaps in the reforms. Domestic workers and short-term workers (who enter the country for less than two months) were not covered by the law and its enforcement mechanisms. HRW went so far as to assert that some of the new regulations institutionalize discrimination against women.⁴¹ Therefore, many of the challenges facing the diaspora remain while reform continues to take place only at a slow pace.

INCENTIVES FOR INDIA TO ACT

The Indian government has major incentives to address these challenges and further improve conditions for its workers in the Gulf. Adopting a more proactive approach to diaspora affairs would not only safeguard India’s economic interests, but also help cement a mutual partnership with Gulf states and cultivate India’s soft power in the region. The Gulf diaspora also constitutes an untapped political constituency for the Modi government that will only become more important as more power slowly shifts towards state governments.

SAFEGUARDING ECONOMIC INTERESTS

India leads the world as a recipient of foreign remittances, which form a key part of its economy, particularly amongst poorer households.⁴² GCC countries alone constitute over half of India’s total global income from remittances. The sizable remittances flowing from workers in the Gulf therefore form the biggest economic incentive for India to improve employment conditions for its diaspora. The Gulf diaspora is “optimistically viewed” by the government as the country’s main source of remittances.⁴³

Table II displays the remittances that India received from each Gulf country from 2013 to 2015.⁴⁴ While remittances did not experience much decline in the last few years, they may decrease as Gulf economies continue to slow down due to low oil prices. Poor conditions may reduce the rates of Indians choosing to emigrate. Furthermore, with the increases in wages and living standards in India, more workers may decide to stay to avoid dealing with the harsh conditions in the Gulf despite their slim chances of finding employment locally. A reduction in the number of workers migrating to the Gulf would reduce remittance flows.

Table II: Gulf remittances to India (USD billion)

	Bahrain	Kuwait	Oman	Qatar	Saudi Arabia	UAE	Total GCC	Total World	GCC as % of World
171,000	171,000	171,000	171,000	171,000	171,000	171,000	171,000	171,000	171,000
97,144	97,144	97,144	97,144	97,144	97,144	97,144	97,144	97,144	97,144
11,303	11,303	11,303	11,303	11,303	11,303	11,303	11,303	11,303	11,303

Source: World Bank, 2015.

⁴¹ Ibid.

⁴² World Bank, “Remittances Growth to Slow Sharply in 2015, as Europe and Russia Stay Weak; Pick up Expected Next Year,” Press Release, April 13, 2015, <http://www.worldbank.org/en/news/press-release/2015/04/13/remittances-growth-to-slow-sharply-in-2015-as-europe-and-russia-stay-weak-pick-up-expected-next-year>.

⁴³ Khadria, “The Dichotomy of the Skilled and Unskilled,” 29.

⁴⁴ World Bank, “Bilateral Remittance Matrix 2013-5,” Migration and Remittances Data, September 24, 2015, <http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>. Custom data was acquired via website.

Beyond generating income, labor migration to the Gulf has also been informally promoted as a development strategy.⁴⁵ Migration relieves high local unemployment and underemployment. Foreign exchange remittances also relieve balance of payments pressures. This has had particular policy significance following India's 1991 financial crisis, which was related to problems with the balance of payments and foreign exchange.

CEMENTING A PARTNERSHIP

The Gulf's reliance on a sizable Indian labor force enhances Delhi's importance as an international partner.⁴⁶ Indians often form pluralities in Gulf States. Indians are the largest immigrant group in the UAE, for instance, where they constitute 30% of the population.⁴⁷ This is important because India has growing strategic interests with the Gulf, the GCC is India's largest trading partner, and the region is a major source of energy imports. India's diaspora provide economic benefits to the Gulf, thereby helping Delhi pursue these interests.

Loss of Indian labor could cause economic disruption in the Gulf. These countries are already surrounded by instability and face security threats from the wider region. They are therefore keen to avoid any internal disruptions. This increases their willingness to strengthen their partnership with India and improve conditions for Indian workers, who are known for being cheap, reliable, hardworking, and docile.

CULTIVATING SOFT POWER

The diaspora also enhances India's image and soft power. Indian migrant workers have a reputation for being peaceful and tolerant. The MOIA states that India's tolerant, pluralistic society "in which people of different faiths, languages, ethnicities, and political persuasions co-exist and thrive" is key to its positive migratory movements and labor mobility.⁴⁸

The diaspora builds-upon, cements, and reminds of the historical and cultural links between people in India and the Gulf. Some communities in Kerala have adopted various Arab cultural, culinary, financial, and other practices upon their return from the Gulf. Many Kerala businesses proudly display signs in Arabic.⁴⁹ Therefore, India's diaspora anchors bilateral relations, providing people with a sense of familiarity and security. This can subsequently help Gulf policymakers sell the idea of expanding ties with Delhi, even in sensitive fields such as defense cooperation.

Advocating better working conditions for the diaspora advances this soft power as it projects the worldview held by Indian people and politicians that theirs is a great civilization deserving respect. This worldview has, in part, contributed to India's rejection of certain types of development aid.⁵⁰ This logic should, therefore, extend to the rejection of obtaining remittance income through accepting degrading conditions for Indians overseas.

⁴⁵ P. Wickramasekara, "South Asian Gulf Migration to the Gulf: A Safety Valve or a Development Strategy?" *Migration and Development* 5, no. 1 (2016), 99.

⁴⁶ US representative in Qatar covering labor and human rights, interview with author, May 3, 2017.

⁴⁷ Karan Pradhan, "UAE Visit: Here's What to Expect from as PM Touches down in Abu Dhabi," August 16, 2015, <http://www.firstpost.com/world/uae-visit-heres-what-to-expect-from-as-pm-modi-touches-down-in-abu-dhabi-2392780.html>.

⁴⁸ MOIA, "Annual Report."

⁴⁹ Shaju Philip, "Gulf Links Giving Kerala Muslims an Arab Identity," *Indian Express*, July 14, 2016, <http://indianexpress.com/article/india/india-news-india/gulf-links-giving-kerala-muslims-an-arab-identity-2912886/>.

⁵⁰ Andrew Gilligan, "India Tells Britain: We Don't Want Your Aid," *Telegraph*, February 4, 2012, <http://www.telegraph.co.uk/news/world-news/asia/india/9061844/India-tells-Britain-We-dont-want-your-aid.html>; Somini Sengupta, "Pride and Politics: India Rejects Quake Aid," *New York Times*, October 19, 2005, <http://www.nytimes.com/2005/10/19/world/asia/pride-and-politics-india-rejects-quake-aid.html>.

Improving conditions for workers overseas could yield significant political gains for Modi and politicians who champion their cause. This is in part due to the diaspora's growing political impact. Indian workers in the Gulf have large constituencies back at home. Former members of the diaspora are beginning to enter state and national legislatures.⁵¹ Remittances have increased living standards and shifted class structures in labor exporting states, allowing working class and middle-class returnees to gradually gain social status and permitting them to even marry into higher social strata.⁵² This has enhanced the political clout of emigrants and their families, making it in Modi's political interest to prioritize their issues and gain their support.

This is particularly relevant to Modi given that a significant proportion of India's migrants in the Gulf come from states with large Muslim populations and Muslims are less likely to support the BJP than the majority Hindu community.⁵³ In Kerala for instance, while Muslims only made up around 26% of the state's population in 2014, about 41% of its emigrants to the Gulf were Muslim.⁵⁴ Modi's reputation in this constituency is tainted by his past as Gujarat's Chief Minister during anti-Muslim riots, more recent communal clashes, and the (non-lethal) fatwa issued against him.⁵⁵ Appealing to diaspora workers can therefore

have a beneficial impact on Modi's efforts to win over Muslims, chiefly in southern states.

KEEPING LABOR-EXPORTING STATES HAPPY

The Modi government's initiative to allow states more involvement in foreign policymaking increases the political impetus to act on diaspora issues in order to avoid upsetting increasingly influential state governments. As mentioned, a high number of Indians from certain southern states work in the Gulf.⁵⁶ The Indian government often needs to rely on support from these southern states because India-wide parties like Modi's BJP do not have strong representation there.

Kerala, for instance, is a southern Indian state that would be closely watching Modi's approach to the diaspora. In 2014, the number of Keralite emigrants was 2.4 million out of a total state population of 33.88 million. The majority lived in the Gulf. There were 1.25 million returnees to Kerala in that same year.⁵⁷ In 2016, nearly a quarter of the all Kerala households depended on foreign remittances for their livelihood.⁵⁸

RECOMMENDATIONS TO INDIAN POLICYMAKERS

To effectively address migrant workers' rights, Delhi would have to work with Gulf countries to both improve legislation and ensure enforcement. India should take a multipronged approach to advocacy, targeting Gulf

⁵¹ Singh and Rajan, *Politics of Migration*, 139.

⁵² *Ibid.*; Indian driver working in the Gulf, interview with the author, January 2017.

⁵³ Daniel Naujoks, "Emigration, Immigration, and Diaspora Relations in India," Migration Policy Institute, October 15, 2009, <http://www.migrationpolicy.org/article/emigration-immigration-and-diaspora-relations-india>.

⁵⁴ S. Irudaya Rajan and K.C. Zachariah, "Dynamics of Emigration and Remittances in Kerala: Results from the Kerala Migration Survey 2014," *Working Paper* 463, 9, <http://cds.edu/wp-content/uploads/2015/10/WP463.pdf>.

⁵⁵ Monideepa Banerjee, "Fatwa Against PM Modi Escalates BJP-Trinamool War Of Words," *NDTV*, January 11, 2017, <http://www.ndtv.com/kolkata-news/fatwa-against-pm-modi-escalates-bjp-trinamool-war-of-words-1647426>.

⁵⁶ Naujoks, "Emigration, Immigration, and Diaspora Relations."

⁵⁷ Rajan and Zachariah, "Dynamics of Emigration," 6, 46, 60.

⁵⁸ TK Devasia, "Crisis in Saudi Arabia for Workers from Kerala Is Only the Tip of Their Iceberg of Woes," *FirstPost*, August 4, 2016, <http://www.firstpost.com/world/crisis-in-saudi-arabia-for-workers-from-kerala-is-only-the-tip-of-their-iceberg-of-woes-2933870.html>.

governments, employers, recruitment agencies, and the diaspora. However, Delhi needs to gauge the evolving ability and willingness of Gulf states to shift away from Indian workers to other nationalities and therefore tread mindfully. The Indian government should use the momentum of recent visits to implement a concrete plan to improve the conditions of Indian workers in the Gulf.

ADVOCATE FOR WORKERS BILATERALLY

India should consistently include diaspora concerns in all areas of bilateral discussions with Gulf states. Bilateral representations should be codified in new MOUs. Where existing MOUs are not enforced, India should push for greater adherence. With NGOs like HRW calling for fundamental change (such as the abolishment of the kafala system for instance), Delhi could at least advocate for reform.⁵⁹ It should push Gulf states to adjust labor codes to respond to the specific and difficult challenges facing migrant workers, often because of the kafala system. Gulf countries should be urged to make migrant workers an integral part of their national approaches to equality.

In their negotiations, Indian policymakers should leverage India's security offerings, trade relations, and diaspora. Gulf states are seeking to diversify their strategic and security partners, increasing India's significance as a partner. Economically, the fall in oil prices and reduction of U.S. reliance on the region's oil make markets like India more important to the Gulf. Finally, given the size of the Indian diaspora in the Gulf, the loss of those workers could pose a risk on Gulf economies. Combined, those elements can make the case for reform more persuasive.

CAPITALIZE ON EXISTING LEGISLATION

Delhi should also urge states that have made some progress at the legislative level to follow through on implementation. The enforcement of existing legislation appears less like conforming to the wishes of a foreign power than the amendment or introduction of new laws. Improvements to implementation can be conducted by a state without "losing face" to the degree that may happen when changing a law.

India should encourage Gulf governments to upgrade their implementation mechanisms, ensuring they are well-resourced. It can support those mechanisms through coordination, training, or assistance with resources where possible. Workers should also be protected by meaningful redress and dispute resolution mechanisms. Gulf officers involved in dispute resolution and enforcement—including police, labor inspectors, labor dispute commissioners, judges, and others—should receive appropriate training regarding non-discrimination and equality issues.

USE MULTILATERAL TOOLS WHERE THEY WORK

Bilateral advocacy is crucial given the ineffectiveness of many multilateral treaties regarding human rights.⁶⁰ But if discreet bilateral efforts fail, India should consider making tactful statements at the United Nation Human Right Council's Universal Periodic Review (UPR) interactive dialogue. India can coordinate behind the scenes with other countries who have migrant workers in the Gulf. Numerous countries commented on Saudi Arabia's migrant worker situation, for example, in its 2013 UPR.⁶¹ This demonstrates that the issue is ripe for coordination.

⁵⁹ HRW, "Saudi Arabia: Protect Migrant Worker's Rights," July 1, 2013, <https://www.hrw.org/news/2013/07/01/saudi-arabia-protect-migrant-workers-rights>.

⁶⁰ Oona A. Hathaway, "Do Human Rights Treaties Make a Difference?" *The Yale Law Journal* 111, no. 8 (2002): 2002-2025.

⁶¹ OHCHR, "Report of the Working Group on the UPR," Saudi Arabia UPR, Human Rights Council Working Group, 25th Session, December 26, 2013, 9, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G13/191/62/PDF/G1319162.pdf?>

India can also advocate for change through citing multilateral agreements, such as the UN Human Rights Convention and the ILO's Declaration on Fundamental Principles and Rights at Work, while noting sensitivities regarding language involving human rights. Furthermore, it can draw on reports published by international organizations, which serve to highlight critical issues. For example, the ILO has stressed that Saudi Arabia's amendments fell short with regard to agricultural and domestic workers. Delhi can use that assessment to advocate that workers in all sectors should be protected.

MAKE EMPLOYERS AND RECRUITMENT AGENCIES PAY

With the assistance of Gulf states, the Indian government should establish emergency funds that compensate Indian workers in the event that companies choose to violate their contracts. The funds would be financed by Gulf-based companies in amounts proportional to the number of workers they employ.⁶² Alternatively, companies could be required to purchase insurance to cover these potential costs.

Workers should also be protected from the debt traps of recruitment firms. This would entail shutting down firms in India that mislead workers on how much they will earn and the debts they will owe. Likewise, India should identify Gulf-based companies that have a history of violating workers' rights. Workers can then be denied emigration clearances to go work for these employers.

Such a proactive approach would force firms to take a less cavalier approach to hiring and recruiting workers. It would shift the costs

of material assistance and repatriation of workers away from the Indian government. Similarly, the costs of trauma and injuries would be directed to employers instead of further burdening India's health system by traumatized or injured returnees. The number of impoverished and indebted workers that would be dependent on their state and community upon their return would also drop. While those policies may increase the cost of hiring Indian workers, making other foreign nationals more competitive, they come with important benefits that possibly outweigh the added cost.

INVEST IN WORKERS

All stakeholders should invest in the awareness and training of workers. While awareness would make workers less likely to fall prey to adverse situations, training would enhance their competitiveness in the global labor market and qualify them for jobs with better conditions and benefits. Such a focus on the workers is likely to be welcomed by Gulf states as it would seem less like an imposition on their sovereignty.

In India, the MEA should raise awareness among migrant workers concerning the risks of working in the Gulf and elsewhere, the risks of dealing with an unreliable employment agency, and the rights and services available to them overseas, including through their embassies.⁶³ In doing so, the MEA should expand its public relations reach. The MEA should consider modeling its efforts on awareness campaigns conducted by Western countries in India to combat people smuggling, as these campaigns have often penetrated deep into rural and disadvantaged communities.

⁶² Joshi, "Bridging the Gulf."

⁶³ Joshi, "Bridging the Gulf."

The training of workers should take place both in India and the Gulf. During its negotiations, India should urge Gulf states to facilitate the training of workers. In India, the government should build the infrastructure necessary to assess workers' skills before they leave for the Gulf, providing basic skills training to workers who are close to meeting standards.

The private sector should also be encouraged to play a role. Indian companies, like Aspiring Minds, are already exploring ways to work with some Gulf States to develop assessment tools for potential emigrants in labor exporting countries.⁶⁴ India should capitalize on its advances in information technology, directing it in the service of its ever-growing diaspora community. The country is well-placed to develop such systems at home and later roll them out to other countries.

CONCLUSION

Indian workers in the Gulf have long faced significant challenges stemming from systematic abuse and discrimination. Due to the low socioeconomic backgrounds of the workers, their lack of political clout, and the importance of their remittances to the Indian economy, until recently, successive Indian governments only offered Band-Aid responses to alleviate their struggle. While there are signs that this has been changing, both in India and the Gulf, progress has been slow.

Delhi has many economic and political incentives to be more proactive on the issue. In doing so, it should focus on advocating for workers' rights and conditions bilaterally, capitalizing on existing legislation in Gulf states. It should use multilateral tools where

they work. Delhi should make employers and recruitment agencies pay for the cost of their treatment of workers. It should also push all stakeholders to invest in raising the awareness and improving the qualifications of migrants. It is time for Delhi's rhetoric to translate to wins for its Gulf diaspora.

⁶⁴ Aspiring Minds is collaborating with TakaMoL, an initiative of Ministry of Labour of the Kingdom of Saudi Arabia, to assess and certify skills and competencies among foreign workers. <https://skillsaudi.myamcat.com/>.

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