

# Overseas Indian Workers and Remittances Therefrom



## Management

**KEYWORDS :**  
Overseas Indian workers, remittances, contractual employment.

**Dr. Babaraju. K. Bhatt**

Principal, Shri Manilal Kadakia College of Management & Computer Studies, Ankleshwar, Gujarat State, INDIA

### ABSTRACT

*India has around gross flow of one million workers. While examining the year wise distribution of annual labour outflows from India by destination we find that total 2,78,664 workers migrated from India to other countries in 2001. Besides, the estimation of annual remittances from overseas Indian workers into India is 12 to 15 billion US \$*

### INTRODUCTION:

In the report of the Ministry of Overseas Indian Affairs, Government of India, 2005-06 focuses on the estimate of Overseas Indian Workers, their nature of work, remittances into India, earnings of foreign exchange etc. As per the report\* the estimated overseas Indian workers were over 4 to 5 millions. After exclusion of those workers who can be called returnees, India has annual gross flow of one million workers.

\*Annual Report, 2005-2006, Ministry of Overseas Indian Affairs, Government of India, New Delhi

Table 1 shows year-wise information regarding number of workers who were given emigration clearance for contractual employment. As per table 1 total number of workers who were given emigration clearance for contractual employment was 2.79 lakh in 2001 which increased to 5.49 lakh in 2005.

**TABLE: 1**  
NUMBER OF WORKERS WHO WERE GIVEN EMIGRATION CLEARANCE FOR CONTRACTUAL EMPLOYMENT 2001-2005

YEAR	NUMBER OF WORKERS (in LAKH)
2001	2.79
2002	3.68
2003	4.66
2004	4.75
2005	5.49

If we examine distribution of annual labour outflows from India by destination we find that in 2001 total 2,78,664 workers migrated from India to other countries as shown in table : 2. Out of total migrants maximum 28 percent workers migrated to Saudi Arabia, then after 19.26 percent to UAE, 14.26 percent to Kuwait while in Malaysia only 2.20 workers migrated in the year 2001. The data for 2005 shows that compare to 2001 annual labour outflows from India to various countries has increased. In 2005, total 5,48,853 workers migrated to other countries. Out of total migrants maximum 35.42 percent workers migrated from India to UAE. Then after 18.20 percent to Saudi Arabia and 9.15 percent workers migrated to Qatar, while in Jordan minimum 0.34 percent workers migrated from India. (Table: 2).

**TABLE: 2**  
DISTRIBUTION OF ANNUAL LABOUR OUTFLOWS FROM INDIA BY DESTINATION 2001-2005

SR. NO.	COUNTRY	2001	2002	2003	2004	2005
1	U.A.E.	53,673 (19.26)	95,034 (25.85)	1,43,804 (30.83)	1,75,262 (36.90)	1,94,412 (35.42)
2	SAUDI ARABIA	78,048 (28.01)	99,453 (27.05)	1,21,413 (26.03)	1,23,522 (26.01)	99,879 (18.20)
3	KUWAIT	39,751 (14.26)	4,859 (1.32)	54,434 (11.67)	52,064 (10.96)	39,124 (7.13)
4	OMAN	30,985 (11.12)	41,209 (11.21)	36,816 (7.89)	33,275 (7.01)	40,931 (7.46)
5	MALAYSIA	6,131 (2.20)	10,512 (2.86)	26,898 (5.77)	31,464 (6.62)	71,041 (12.94)
6	BAHRAIN	16,382 (5.88)	20,807 (5.66)	24,778 (5.31)	22,980 (4.84)	30,060 (5.48)

7	QATAR	13,829 (4.96)	12,596 (3.42)	14,251 (3.06)	16,325 (3.44)	50,222 (9.15)
8	MAURITIUS	0 (00.00)	0 (00.00)	0 (00.00)	3,544 (0.75)	1,965 (0.36)
9	MALDIVES	0 (00.00)	0 (00.00)	0 (00.00)	3,233 (0.68)	3,423 (0.62)
10	JORDAN	0 (00.00)	0 (00.00)	0 (00.00)	2,576 (0.54)	1,851 (0.34)
11	OTHERS	39,865 (14.31)	83,193 (22.63)	44,044 (9.44)	10,715 (2.25)	15,945 (2.90)
	TOTAL	2,78,664 (100.00)	3,67,663 (100.00)	4,66,456 (100.00)	4,74,960 (100.00)	5,48,853 (100.00)

**NOTE: Figures in parenthesis indicates percentage.**  
State wise figures of workers granted emigration clearance/ECNR endorsement shows that out of total 2,78,664 workers maximum 22.12 percent workers migrated from Tamil Nadu to various countries. Besides, 22.09 percent workers from Kerala state and from Andhra Pradesh 13.40 percent workers migrated to other countries. Where as minimum 2 percent migrated from Tripura and 3 percent from Sikkim to other countries.

In 2005, we find increase in number of workers migrated from India to various countries. In 2005, out of total 5,48,853 migrants, maximum 22.79 percent migrants were from Kerala state. Then after 21.33 percent from Tamil Nadu state and 13.73 percent workers migrated from the Karnataka state, while minimum 1 person from Tripura and 5 persons from Andaman & Nicobar to other countries.

If we look at the nature of work of Overseas Indian Workers, we find that around 70 percent are engaged in the work of semi-skilled and un-skilled, while in professional work and other white collared job around 20 to 30 percent workers are engaged so far. In the sector like domestic help a negligible portion of workers is employed.

One very important point is to be noted that the foreign exchange reserves of the country can be increased through emigrant workers. The year-wise details of the private transfer of foreign exchange from the year 2001 to 2005 are mentioned in table:3, which shows that the amount of private remittances was 12,873 million US \$ (Rs. 58,756 Crore) during the year 2000-2001, while during 2004-05 it increased to 14,494 million US \$ (Rs. 66,861 crore). In the year 2005-06 ( up to September, 2005) private transfer of foreign exchange was 12,043 million US \$ (Rs. 52,563 crore) (Table: 3)

**TABLE: 3**  
THE DETAILS OF PRIVATE TRANSFER OF FOREIGN EXCHANGE INTO INDIA 2001-2005

YEAR	MILLION (in US \$)	RUPEES (in Crore)
2000-01	12,873	58,756
2001-02	12,125	57,821
2002-03	14,807	71,642
2003-04	18,885	86,764
2004-05	14,494	66,861
2005-2006 (Up to Sept-2005)	12,043	52,563

Looking to the total NRI remittances, Rs. 55,000 crore comes from NRIs from Kerala state only which amounts to around 50 percent of total NRI remittance. Besides, the estimation of annual remittances from Overseas Indian Workers into India is 12 to 15 billion US \$. It is noteworthy to mention that almost all the services sector in the Gulf is handled by Indian professionals, nurses, technicians, teacher etc. These professionals are engaged mostly in semi and un-skilled work and are appreciated for their hard-work, apolitical orientation, skills and law-abiding qualities.