

Overview

International migrants account for 244 million,¹ or 3.3 per cent of the total global population. Of them, 150.3 million,² or 62 per cent, are workers. Among the international migrants, 28 million are from India (table 1),³ with 14 million of them migrant workers.⁴ This amounts to approximately 11 per cent of the global migrant population and 9 per cent of the global migrant worker populations.⁵ While this is a small number compared with China's 61 million migrants,⁶ migration out of India is expected to grow exponentially, given the global demographic projections.

	2015
Total population	1.32 billion
Emigrants (2014)	28 455 026 ⁷
Immigrants (2014)	5 240 860 ⁸
ECR category	781 146 ⁹

Note: Emigrants refers to Indian nationals who have moved from India either temporarily for employment or permanently.

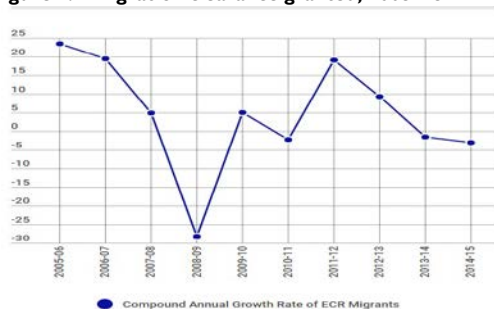
Source: See endnotes.

Table 1. Migration data for India, 2015

Analysis of international migration is greatly limited by the manner in which data is captured in India; only data for those with emigration check required (ECR) passports going for work to the 18 ECR countries is captured. ECR passports are issued based on several criteria, which include not having a class 10 pass certificate (completion of secondary school) and not having lived overseas for three years previously. India does not collate data on high-skilled migrants or on those traveling to work in countries other than the 18 ECR countries.¹⁰ Thus this migration update uses ECR-only data and excludes high-skilled workers.

Although there has been an increase in the number of Indian citizens migrating for work with an ECR passport (from 242,000 to 781,146 from 2000 to 2015) at a compound annual growth rate of 8.1 per cent, the rate of growth has been declining over the past five years (figure 1).

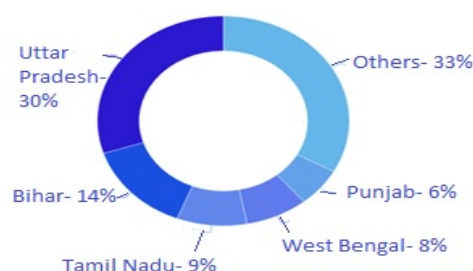
Figure 1. Emigration clearance granted, 2005–15



Source: MEA annual reports.

There has also been a shift in major source states for migration, from Kerala and other southern states of India¹¹ to northern states of India, such as Uttar Pradesh and Bihar.¹² Although more research is required to better understand the reasons for this change, it is possible that information on a number of migrants from Kerala are not captured by the current system because they have passed class 10 (secondary school) and thus do not require an emigration clearance to leave the country. Additionally, the minimum wages and literacy levels of Kerala are much higher than the national average. With the working-age population in the state declining, more job opportunities and better wages in the state may mean that fewer individuals are likely to be moving abroad for jobs. In stark contrast, the populations of the states of Bihar, Rajasthan and Uttar Pradesh are growing at a faster pace than the speed at which new jobs are being created there. Hence many people in these states must look beyond their state borders for decent work.¹³

Figure 2. Percentage distribution of emigration clearance granted per state of origin, 2015



Source: Ministry of External Affairs.

Most Indian ECR category workers go to Gulf Cooperation Council (GCC) countries. The vast majority of these migrants are low-skilled and semi-skilled workers and most return to India after the end of their contract.

Figure 3. Migration clearance granted for GCC countries compared with other ECR countries



Source: Ministry of External Affairs.

India as a country of destination

India is also a major destination country for several nationalities. According to United Nations estimates, India hosts more than 5 million migrants,¹⁴ including refugees¹⁵ and migrant workers from Bangladesh and Nepal. Although there are no estimates of the numbers in India's labour force, anecdotal evidence indicates that many of these workers, particularly those from Bangladesh, are employed in low-skilled sectors. This may be due to the closed border between India and Bangladesh and the irregular status of many of these immigrants. Nepal and India share an open border, and as a result, there tends to be a high level of seasonal migration and free movement between the countries.

The comparative growth of India's economy and disparity in wages will maintain India's position as an attractive destination country in the South Asia region (table 2).¹⁶

Table 2. Comparative growth and employment data for India and neighbouring countries, 2015

Country	GDP growth rate	Minimum wages (in US\$) ¹⁷	monthly
India	7.3%		62–165
Bangladesh	6.1%		19–113
Nepal	5.4%		92

Source: www.wageindicator.org (accessed 10 July 2015)

India's migration management policy must be cognizant of the significant role of labour migration. A labour market analysis of sectors with low labour force participation by Indian citizens and high reliance on international migrant workers would be useful in the drafting of migration management policy and related employment and development strategies.

Female migration continues to be low

Migration of female workers in the ECR category is a recent phenomenon in India and has not shown growth over the years. The earliest data reflect 10,416¹⁸ women migrants in 2008, which only increased to 10,472 in 2015 (table 3).¹⁹ The Government of India prohibits women younger than 30 years to migrate under the ECR category. This protectionist measure, however, has become an obstacle to women's migration through legal channels.

Table 3. Change in number of women migrants from South Asia, 2005–14

Country	No. of women migrants (2005)	No. of women migrants (2014)
India	10416 (2008) ²⁰	10472 (2015) ²¹
Bangladesh	13570 ²²	103718 ²³
Nepal	8594 (2008–09) ²⁴	29152 ²⁵
Sri Lanka	137394 ²⁶	110489 ²⁷

Source: See endnotes.

Historically, working and non-working women migrated primarily as spouses. More recently, a number of women have been migrating for work in the nursing sector and for domestic work. Yet, there are no data available that reflect the situation.

Impact of migration on employment

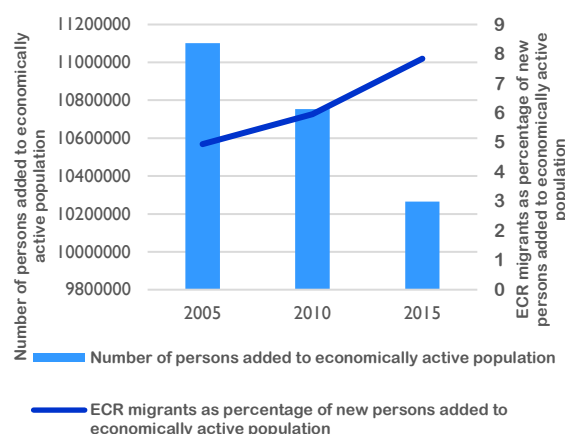
A majority of the 8 million to 10 million people added to India's economically active population each year²⁸ are low-skilled (table 4 and figure 4).²⁹ At the same time, there has been a steady increase in the ECR category of migrants. In 2015, ECR category migrants accounted for 7.8 per cent of the additional economically active population. The role of migration towards reducing unemployment in India, particularly in certain states, cannot be underestimated.

Table 4. Percentage of new persons added to the economically active population (15–65 years) who migrate for work (ECR migrants)

	Total population	Active population (15–65 years)	No. of persons added to economically active population	ECR migrants as % of new additions to economically active population
2005	1144326293	709482302	11102323	4.94%
2010	1230984504	787830083	10753486	5.96%
2015	1295291543	841939503	10265235	7.84%

Source: Calculations based on World Bank data and Ministry of External Affairs, annual reports.

Figure 4. New additions to the economically active population who migrated for work, 2005–2015



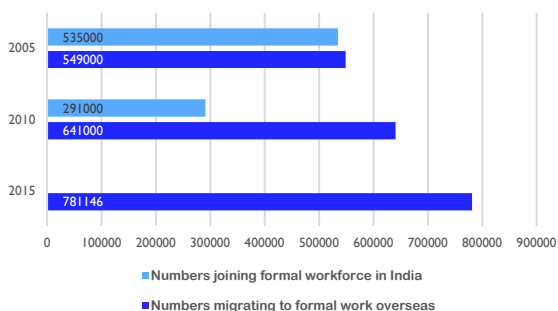
Source: World Bank data and Ministry of External Affairs annual reports.

Migration and formality

India defines formal employment on the basis of having a written contract, the right to paid leave or an employer who makes any type of contribution to social security.

Based on this definition, more Indian workers enter formal employment in a foreign country than within their own country (figure 5).

Figure 5. Workers joining the formal workforce within and outside India

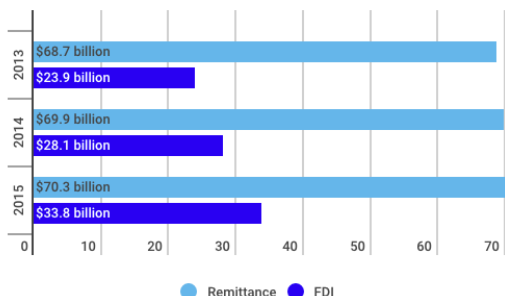


Source: Employment in organised sectors: public and private <https://data.gov.in/catalog/employment-organised-sectors-public-and-private> (accessed 17 Aug 2016) and Ministry of External Affairs annual reports³⁰

Impact on the macro economy

India is the world's largest recipient of remittances. In 2015, India received US\$72.2 billion in remittance payments. While this accounted for only 3.3 per cent of gross domestic product that same year, it was more than double the inflow through foreign direct investment (FDI), at US\$28.1 billion in 2015. Over the past three years, total remittance inflows have been considerably greater than FDI per year (figure 6). In contrast, migrants from China send money home for investment, which then shows up as FDI.³¹ In India, remittances are mostly used for consumption.

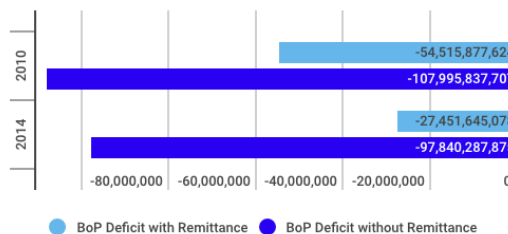
Figure 6. Remittance inflows, compared with FDI inflows, 2013–15



Source: World Bank data.

Remittance payments have positively affected the balance of payments and substantially contributed to the foreign reserves of the country (figure 7).

Figure 7. Balance of payments deficit with remittances and balance of payment deficit without remittances



Source: World Bank data.

Reduction in household poverty

Localized studies have shown that the remittance inflows to India have had significant impact on family poverty. According to a study by the United National Conference on Trade and Development, in India, a 10 per cent increase in remittance inflows to India will lead to a 1.7 per cent decline in the poverty ratio.³² There is a large differential (1.5–3 times) between wages earned in India and overseas. However, the economic benefits can be diminished by the exploitation that workers experience during the recruitment process, frequent human rights violations and the number of deaths, accidents, cases of forced labour and lack of decent work in destination countries.

The future

India has the largest youth population in the world. Seeking to benefit from this demographic dividend, the Government is supporting skill development and promoting the migration of skilled workers.³³ The Skill India programme includes matching certifications across borders and understanding global labour market trends and needs. Slow job creation in the country (fewer than 135,000 jobs were created in eight selected industries in 2015)³⁴ and the increased interest for hiring skilled workers in traditional destinations, like the GCC region, is likely to lead to the continued increase in migration. Opportunities in other regions need to be explored, however, because as the slowdown following the decline in the oil prices has led to cutbacks on migrant workers' wages and reduced worker demands from the GCC countries.

There is an urgent need to revise the 1983 Emigration Act which governs the migration of Indian workers for overseas employment, to reflect the changed scenario. With states creating their own policies on migration, a policy framework from the central Government is essential. A reoriented policy that responds to employment in the country and strikes a balance between encouraging migration and providing protection to migrant workers is an imperative.

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