

COVID-19, Exodus of India's Contract Emigrant Workers from the Gulf and its Impact: A study of Return Emigrant Workers in Kerala

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Abstract

The COVID-19 pandemic disruption in GCC countries had resulted in unprecedented exodus of Indian emigrant workers from GCC countries. This is a case study of return emigrant workers in the State of Kerala, India. It is based on a sample of 404 return emigrant workers belonging to five districts in Kerala, examines activity status of return emigrant prior and after return, impact of it on return emigrant households and local labour market, and arrived at the following conclusions. (1) Due to COVID-19 pandemic and related disruption, the contract category of emigrant workers employed in GCC countries, who used to send sizeable amount as remittances to their households on a regular basis, forced to return to their native country due to loss of jobs and other disruption, those returned on leave were unable to return and the return emigrant households experienced total loss of remittances and acute economic distress. (2) Due to return, most of the return emigrant workers became unemployed, remain without income, faced high uncertainty to find employment and the local labour market experienced excess supply of labour force, increase in unemployment rate and gloomy prospect for remigration of returned emigrant workers and fresh migration.

1. Introduction

India is the global leader of migration, having the largest number of migrants living abroad and receiving the largest amount of international remittances in the World¹. Of the total stock of Indian emigrants, major share (53.5 percent) is in Gulf Cooperation Council (GCC) countries, viz. United Arab Emirates (UAE), Saudi Arabia, Oman, Kuwait, Qatar and Bahrain. In order to contain the spread of COVID-19, all GCC countries had implemented lockdowns, shutting down borders, halting international flights, other international travel controls, imposition of curfews and ban on mobility beyond borders since March 2020. The disruption in mobility and international migration has resulted in an exodus of Indian emigrants from GCC countries. According to an estimate of Government of India, 5.59 million Indian emigrants returned to India from foreign countries as per India's repatriation mission, Vande Bharath Mission up to 30th April 2021². Of these, 4.02 million or 71.9 percent returned from GCC countries. Of the total Indian returnees, the number returned to the State of Kerala was 1.41 million or 25.2 percent of the total. In this context, the study examines the activity status of return emigrant workers prior to return from GCC countries, causes of return, the period of return, activity status after return and the impact of return on emigrant households and local labour market. The paper is presented in three parts viz. (1) Introduction, (2) Indian emigrants in GCC countries and exodus of emigrants and (3) Findings of a sample survey of return emigrant workers from GCC countries.

Review of Research

A review of research on impact of COVID-19 on international labour migration shows that most of the studies pertain to the aggregate labour or economic impact of a region or country and done by World Organisations. The World Migration Report 2022 gives an analysis of inter connection between migration and mobility with COVID-19 travel restrictions in the World (IOM UN 2021).

The studies of the Global Knowledge Partnership on Migration and Development (KNOMAD) give regional and global trends in migration, the remittances, emerging issues and critical problems in the context of COVID-19 disruption in the early and subsequent phases of the spread of the pandemic (KNOMAD 2020a; KNOMAD 2020b; KNOMAD 2021a; KNOMAD 2021b). Regarding the impact of COVID-19, the studies arrived at the following major conclusions. COVID-19 affected all host and origin countries and there has been widespread use of remote work and online delivery service shifted to digital. Countries

implemented fiscal stimulus, packages viz. cash transfers and support to business. There has been significant return migration and no new migration. The most affected workers are front line workers and those employed in tourism and hospitality sectors. And transit migration increased as many host countries implemented strict travel bans and border closures.

The World Bank has estimated that the COVID-19 induced recession resulted in a loss of 3.3 million full time jobs and a fall in outward remittances by 20 percent or US dollar 11.0 million in GCC countries in 2020 (World Bank Group 2021). This huge loss in employment in GCC countries is the major cause for the exodus of Indian emigrant workers from GCC countries in 2020. A study on impact of COVID-19 on international migration and remittances projected substantial drop in remittances in Asia (more than \$31.4 billion) in 2020 and this sudden stop in remittances could push many households depending on remittances to economic distress and poverty in the region (ADB 2020).

Concepts of migration

Types of labour migrants: Contract and settlement

Migrant workers are persons admitted by a country other than their own for the explicit purpose of exercising an economic activity. The categories of migrant workers are contract, seasonal, project tied, temporary, established and highly skilled (ILO³). Contract migrant workers are persons working in a country other than their own under contractual arrangements that set limits on the period of employment and on the specific job held by the migrant. Once admitted, contract migrant workers are not allowed to change jobs and are expected to leave the country of employment upon completion of their contract, irrespective of whether the work they do continues or not. Another category is permanent migrant workers who wish to settle in the foreign country. Settlers are persons who are granted the right to stay indefinitely in the territory of a country other than their own and to enjoy the same social and economic rights as the citizens of that country.

The economic impact of the two types of labour migration are much different. In settlement migration, migrant workers migrate with their family members and settle in the foreign country. They usually spend their entire savings in the foreign country and their native country is not benefited much from the migration. Settled migrant workers are not affected by the pandemic disruption. On the other hand contract migration is temporary migration and return is an essential part of the migration. Usually during the stay in foreign

country, the migrant workers leave their families behind in their home country. In order to support their family, the emigrants send remittances on a regular basis which is spent by the households. The economic impact of this spending will be substantial on domestic economies of labour exporting countries or migrant origin countries.

Emigrant workers in GCC countries belonged to the category of contract workers. All emigrants from Kerala to the GCC countries belonged to this category. Kerala being a state which heavily relies on migration to the Gulf and remittance from the emigrant workers, the large scale return of emigrant workers will result in loss of employment to millions of migrant workers, loss of wage and income, fall in remittance, economic distress of emigrant households and push areas or districts having large concentration of emigrant households to deep recession.

Theoretical Framework

COVID-19 has proved to be a great disrupter, negatively impacting migrants throughout the international migration cycle, starting with departure from countries of origin, entry into transit and destination countries, stay in transit and destination countries, and the return to countries of origin⁴. Five types of disruption are identified. (1) Migrants have been unable to depart on planned migration journeys, such as for work, study or family reunion. (2) Migrants (including refugees and asylum seekers) have been increasingly unable to enter transit and destination countries, as restrictions have been progressively implemented and/or strengthened. The shortage of migrant workers in turn result in curtailment of production of goods and services, fall in transport and trade, disruption in supply chains and international air transport. (3) Impact on migrants have been profound, especially for the most vulnerable in societies, who are without access to social protection and health care, and have also faced job loss, xenophobic racism and the risk of immigration detention, while being unable to return home. (4) Border-closure announcements in some countries caused mass return to native or origin countries for fear of being stranded without income or access to social protection. The inability to return has resulted in large numbers of migrants being stranded around the world. (5) The measures which led to forced immobility which acted to slow or even stop migration are as follows: (a) border restrictions/closures; (b) travel restrictions; (c) visa programme disruption; (d) quarantine measures; and (e) no/limited flights.

Among the migrant workers, the contract worker is the category which is worst affected due to the COVID-19 disruption. The workers are treated as temporary workers for

practically all purposes by employers and governments in host countries. They are most vulnerable category of workers compared to others. Majority of the contract migrants are in the category of low skill or unskilled, do not earn non-wage benefits or other labour benefits and employed in informal sector jobs. They are not eligible for social protection measures meant for citizens of the country. And the entire migrant workers in GCC countries belonged to contract workers category. The pandemic has disrupted long standing migration patterns and processes and loss in faith of migration as a means for attaining material improvement of low skilled categories of migrant workers.

Hypotheses

In order to explain the broad changes taking place due to the exodus of Keralite emigrant workers from GCC countries due to COVID-19 and pandemic induced disruption, we present the following hypotheses.

“Due to COVID-19 pandemic and related disruption, the contract category of emigrant workers employed in GCC countries, who used to send sizeable amount as remittances to their households on a regular basis, forced to return to their native country due to loss of jobs and other disruption, those returned on leave were unable to return and the return emigrant households experienced total loss of remittances and acute economic distress”

“Due to return, most of the return emigrant workers became unemployed, remain without income, faced high uncertainty to find employment and the local labour market experienced excess supply of labour force, increase in unemployment rate and gloomy prospect for remigration of returned emigrant workers and fresh migration”

Data Source

Both secondary and primary data are used for the study. To study the ground realities, we have conducted a sample survey of return emigrants in six gramapanchayats and five municipalities belonging to five districts of Kerala. The sample consists of return emigrant workers who returned to Kerala prior to the spread of COVID-19 on leave and was unable to return due to COVID-19 disruptions and denial of jobs by employers or closure of units and those forced to return to Kerala after the spread of COVID-19 due to pandemic disruptions, loss of jobs and unable to return at the time of survey. The distribution of sample grama

panchayats and municipalities and the sample return emigrant households are given in table 1.

Table 1

Distribution of sample GramaPanchayats (GPs) and Municipalities (Ms)

No	District	GPs and Ms	Total Wards	Number of Sample Wards	Number of sample return emigrant households
1	Kannur	Kottayam (GP)	14	6	40
		Vengad (GP)	21	9	46
		Sub Total	35	15	86
2	Kozhikode	Koyilandy (M)	44	13	48
		Thiruvallur (GP)	23	8	36
		Keezhariyur (GP)	13	6	27
		Sub Total	80	27	111
3	Malappuram	Peruvallur (GP)	19	8	42
		Manjeri (M)	50	14	57
		Kondotty (M)	40	11	47
		Sub Total	109	33	146
4	Pathanamthitta	Koipuram (GP)	17	8	21
		Pathanamthitta (M)	32	11	23
		Sub Total	49	19	44
5	Thiruvananthapuram	Varkala (M)	33	8	17
Total		11	306	102	404

2. Indian Emigrants in GCC Countries and Exodus of Emigrants

India has the largest number of migrants living abroad and the recipient of largest amount of international remittance in the world. The United Nations Department of Economic and Social Affairs (UN DESA) gives rough estimates about the global stock of emigrants and country wise emigrants. According to world migration report 2022 the total stock of international migrants in the world was estimated as 280.59 million in 2020⁵. The total stock of Indian emigrants was estimated as 17.86 million or 6.4 percent of the global migrants. Of the total global remittance of United States Dollar (USD) 702 billion in 2020, the remittance received in India was USD 83.15 billion. Remittance is financial or in-kind transactions made directly to families or communities in their countries of origin. Among the total Indian emigrants of 17.86 million, 9.56 million or 53.5 percent were in GCC countries (Table 2). The GCC countries are United Arab Emirates, Saudi Arabia, Oman, Kuwait, Qatar and Bahrain.

Table 2
Stock of Indian emigrants in the World and GCC countries at mid-year

Year	Number		Share of GCC (%)
	World	GCC Countries	
1990	66,19,431	19,55,742	29.5
1995	71,53,439	22,90,500	32.0
2000	79,28,051	27,39,088	34.5
2005	95,88,533	37,13,359	38.7
2010	1,32,21,963	64,42,475	48.7
2015	1,58,85,657	82,52,572	51.9
2020	1,78,69,492	95,68,590	53.5

Source: United Nations, Population Division

<https://www.un.org/development/desa/pd/content/international-migrant-stock>

The growth in Indian emigrants in GCC countries during the last three decades gives the following trends (Table 3). (1) There had been a continuous growth of Indian emigrants in GCC countries during the last three decades. (2) The decade which witnessed the highest rate of growth of migration is between 2000 and 2010. (3) The data suggest that the global financial crisis of 2008 had not affected the Indian migration to Gulf. (4) But the share of females to total emigrants registered a decline during the period.

Table 3
Stock of Indian Emigrants in GCC Countries

Year	Number			Share of female to total (%)
	Total	Male	Female	
1990	19,55,742	14,02,456	5,53,286	28.3
1995	22,90,500	16,54,966	6,35,534	27.7
2000	27,39,088	19,87,886	7,51,202	27.4
2005	37,13,359	27,66,243	9,47,116	25.5
2010	64,42,475	49,47,084	14,95,391	23.2
2015	82,52,572	63,15,670	19,36,902	23.5
2020	95,68,590	73,11,033	22,57,557	23.6
	Growth Rate (%)			
1990	-	-	-	-
1995	17.1	18.0	14.9	-
2000	19.6	20.1	18.2	-
2005	35.6	39.2	26.1	-
2010	73.5	78.8	57.9	-
2015	28.1	27.7	29.5	-
2020	15.9	15.8	16.6	-

Source: United Nations, Population Division

<https://www.un.org/development/desa/pd/content/international-migrant-stock>

The total stock of emigrants in six GCC countries was estimated as 30.81 million in mid-year 2020. Of the total stock of emigrants in GCC countries, the share of Indian emigrants was estimated as 31.1 percent (Table 4). The share of Indian emigrants among the total emigrants in UAE was 39.8 percent, Kuwait 37 percent, Qatar 31.5 percent, Bahrain 39 percent and Oman 58 percent. Saudi Arabia had the lowest share of Indian emigrants (18.6 percent).

Table 4
India's share in total stock of emigrants in GCC countries, mid-year 2020

No	GCC Countries	Stock of Indian emigrants in GCC countries		
		Total	Male	Female
1	United Arab Emirates	34,71,300	26,66,029	8,05,271
2	Saudi Arabia	25,02,337	17,41,093	7,61,244
3	Oman	13,75,667	12,04,672	1,70,995
4	Kuwait	11,52,175	8,12,171	3,40,004
5	Qatar	7,02,013	6,04,194	97,819
6	Bahrain	3,65,098	2,82,874	82,224
Total		95,68,590	73,11,033	22,57,557
		Share of stock Indian emigrants to total stock of emigrants in GCC		
		Total	Male	Female
1	United Arab Emirates	39.8	41.5	35.1
2	Saudi Arabia	18.6	18.9	17.8
3	Oman	58.0	60.7	44.0
4	Kuwait	37.0	39.4	32.5
5	Qatar	31.5	32.8	25.5
6	Bahrain	39.0	40.7	34.0
Total		31.1	32.9	26.3

Source: United Nations, Population Division

<https://www.un.org/development/desa/pd/content/international-migrant-stock>

Stock of Keralite Emigrants in GCC Countries and Exodus of Emigrants

Two estimates are available about the stock of Keralite emigrants in Gulf countries during the decade 2010's. First, the Department of Economics and Statistics (DES) conducted a census of Non-Resident Keralites (NRK) and estimated the total emigrants comprises of emigrant workers and their dependents as 1.28 million in 2013 (Table 5). According to it, the largest share of Keralite emigrants live in UAE, followed by Saudi Arabia, and Qatar. The census estimated that, of the total emigrants, 90 percent were emigrant workers and 10 percent dependents. A notable finding of the census was that of the total Keralite emigrant workers in Gulf countries, the share of male workers was 95 percent and female 5 percent. The census

also gives an estimate of the district wise number of emigrants. According to it, one fifth of the emigrants belonged to Malappuram district (Table 6). The other districts having sizeable number of emigrants were Kannur, Kozhikode and Thrissur. The above four districts accounted for half of the total emigrants. This census estimate can be considered as the most reliable and comprehensive one which provide a realistic picture about the stock of international migrants from Kerala.

Table 5
Total Keralite emigrants in Gulf countries: DES Census 2013

No	Country	Number of emigrant workers	Number of dependents	Total emigrants	Share (%)
1	Saudi Arabia	4,21,313	28,916	4,50,229	31.6
2	United Arab Emirates	5,07,087	66,202	5,73,289	40.2
3	Kuwait	91,780	14,353	1,06,133	7.4
4	Oman	89,238	10,733	99,971	7.0
5	Qatar	1,13,395	12,108	1,25,503	8.8
6	Bahrain	61,408	8,890	70,298	4.9
7	Iraq	763	32	795	0.1
8	Iran	473	49	522	0.0
Total		12,85,457	1,41,283	14,26,740	100.0
Total (%)		90.1	9.9	100.0	-

Source: Government of Kerala (2013)

Table 6
District wise distribution of Keralite emigrants: DES Census 2013

No	District	Number of emigrants*	Share (%)
1	Kasaragod	60,908	4.3
2	Kannur	1,50,750	10.6
3	Wayanad	15,248	1.1
4	Kozhikode	1,54,233	10.8
5	Malappuram	2,86,586	20.1
6	Palakkad	84,058	5.9
7	Thrissur	1,57,534	11.0
8	Ernakulam	70,294	4.9
9	Idukki	8,227	0.6
10	Kottayam	56,374	4.0
11	Alappuzha	80,832	5.7
12	Pathanamthitta	78,732	5.5
13	Kollam	1,14,140	8.0
14	Thiruvananthapuram	1,08,824	7.6
Total		14,26,740	100.0

*Total emigrants consist of emigrant workers and dependents

Source: Government of Kerala (2013)

Second, a migration survey using sample survey method had estimated the total Keralite emigrants in Gulf countries as 1.89 million in 2018 (Irudaya Rajan, S. and Zachariah, K C 2019). But we cannot consider this survey as one which give a realistic account of the total emigrants due to the methodological limitations. If we consider the facts such as, the UN DESA migration estimates of total stock of Indian emigrants in GCC countries, the growth of Indian emigrants in GCC countries during the last one decade, change in the share of Keralite emigrants in the total stock of Indian emigrants in GCC countries, the total Keralite emigrants in GCC countries will likely to be in the range of 25 to 30 percent of the total stock of Indian emigrants in the midyear 2020. The UN DESA has estimated the total stock of Indian emigrants in GCC countries as 9.57 million in mid-year 2020. And according to our estimate, the total Keralite emigrants in GCC countries may be in the range between 2.39 million and 2.87 million in mid-year 2020.

Exodus of Keralite emigrants from GCC countries

According to Department of Non Resident Keralite's Affairs (NORKA), 1.47 million Keralites returned to Kerala due to COVID-19 disruption till June 22, 2021 (Table 7). Of them, 59 percent returned from UAE, 11.7 percent from Saudi Arabia, 9.7 percent from Qatar and 9.1 percent from Oman. It is reported that loss of jobs and expiry of visa are cited as the major reasons for the return. Of the total returnees 91 percent returned due to these two reasons (Table 8). A district wise distribution of returnees show that 17.9 percent returned to Malappuram, 11.7 percent to Kozhikode and 11.1 percent to Kannur. These three districts account for 41 percent of total returnees (Table 9). We do not have data about the returnees who went back to the host countries.

Table 7
Number of Non Resident Keralites (NRKs) returned due to COVID-19 crisis, till June 22, 2021

No	Country	Number of return emigrants	Share (%)
1	United Arab Emirates	8,72,303	59.3
2	Saudi Arabia	1,72,016	11.7
3	Qatar	1,42,458	9.7
4	Bahrain	43,194	2.9
5	Kuwait	51,170	3.5
6	Oman	1,34,087	9.1
7	Other Countries	56,209	3.8
Total		14,71,437	100.0

Source: Non Residents Keralite Affairs Department (NORKA)

Table 8
Reasons for the return of NRK

No	Reasons	Number of return emigrants	Share (%)
1	Loss of jobs	10,51,272	71.4
2	Visa expiry and others	2,91,581	19.8
3	Children below 10 years	81,883	5.6
4	Senior citizen	30,341	2.1
5	Pregnant women	13,501	0.9
6	Spouse of pregnant women	2,859	0.2
Total		14,71,437	100.0

Source: Non Residents Keralite Affairs Department NORKA

Table 9
Destination districts of the NRKs returned due to COVID-19 crisis

No	District	Number of return emigrants	Share (%)
1	Malappuram	2,62,678	17.9
2	Kozhikode	1,72,112	11.7
3	Kannur	1,64,024	11.1
4	Thrissur	1,18,503	8.1
5	Thiruvananthapuram	1,16,531	7.9
6	Kollam	1,01,125	6.9
7	Ernakulam	87,075	5.9
8	Palakkad	76,871	5.2
9	Kasaragod	62,886	4.3
10	Alappuzha	54,367	3.7
11	Pathanamthitta	53,777	3.7
12	Kottayam	42,573	2.9
13	Wayanad	18,310	1.2
14	Idukki	9,823	0.7
15	Not mentioned	1,30,782	8.9
Total		14,71,437	100.0

Source: Non Residents Keralite Affairs Department NORKA

3. Findings of a sample survey of return emigrant workers from GCC countries

In order to study the causes of return, activity status of return emigrant workers, prior and after return and its impact on emigrant households and local labour market, we conducted a sample survey of 404 return emigrant workers in five districts. The findings of the survey are presented in the following.

Occupation, wages and remittances prior to return

Except two, all the sample return emigrant workers returned from GCC countries, viz. Saudi Arabia, United Arab Emirates, Oman, Kuwait, Qatar and Bahrain (Table 10). Among the two

persons, one returned from Afghanistan and another from China. Of the total returnees, nearly half returned from Saudi Arabia.

Table 10
Country in which sample return emigrant workers worked prior to return

No	Country	Number of sample return emigrant workers	Share (%)
1	Saudi Arabia	200	49.5
2	United Arab Emirates	76	18.8
3	Oman	29	7.2
4	Kuwait	25	6.2
5	Qatar	45	11.1
6	Bahrain	27	6.7
7	Afghanistan & China	2	0.5
Total		404	100.0

An age wise distribution of the sample return emigrant workers showed that 9 percent belonged to the age group of below 30 years. Another 37.1 percent belonged to the age group of 31-40 and 33 percent belonged to the age group of 41-50. This indicates that nearly 79 percent of the returnees are in the age group below 50, who belong to working age group and require jobs.

A classification of the return emigrants showed that 80 percent are educated category, having an educational qualification of SSLC and above. Nearly 6 percent had a general degree. Thus the returnees mostly belong to the educated category of labour force (SSLC and above) and prefer white collar jobs compared to manual category of jobs, which are not available in the local labour market of Kerala.

Based on the National Classification of Occupation in India-2015 (NCO-2015), we have classified the occupation of the return emigrant workers prior to return into 18 categories. Of the total jobs, 30 percent worked as shop sales persons and other sales workers. Nearly 13 percent worked as drivers of motor vehicles. The third major category is cleaners and helpers in houses, hotels, and offices (8.2percent). The other major category of workers are waiters and bartenders; mining, manufacturing and construction supervisors; painters and builders; and cooks. If we use the skill level classification, nearly 40 percent worked in skill level 1, such as sales; cleaners and helpers; and mining and construction labourers. But a noticeable aspect is that only a small percent of workers work as manual labourers or construction workers.

The sample return emigrant workers told us about the wage they received per month in the GCC countries prior to their return. Based on this, we have classified the country wise monthly wage range of the return emigrants. Of the total sample emigrants, 6 percent got a wage equivalent to less than Rs. 20,000 per month. Nearly one fourth reported that they earned a monthly income or wage ranging between Rs. 20,000 to Rs 30,000 a month. Majority of the return emigrants (59 percent) told us that they received a monthly wage ranging between Rs 30,000 to Rs 50,000. The emigrants who got the highest range of wage (above Rs 50,000) account only 11 percent of the total emigrants. UAE and Kuwait are the two countries from which some emigrants received a wage more than Rs 50,000 per month.

It is reported that 30 percent sent an average monthly amount below Rs 12,000 to their families and another 48 percent told us that they used to send an amount ranging between Rs 12,000 and Rs 20,000 per month (Table 11). Thus monthly remittance sent by 78 percent of the sample emigrants can be put in the category of small or medium range and the amount is mainly spent for consumption and other household expenditure.

Table 11
Average monthly remittance sent by sample return emigrant workers prior to return (Percent)

No	Remittance sent per person (Rs)	Saudi Arabia	UAE	Oman	Kuwait	Qatar	Bahrain	Others*	Total
1	Below ₹ 5,000	1.0	-	-	-	4.4	-	-	1.0
2	₹5,001 to 8,000	7.5	14.5	13.8	8.3	13.3	7.4	-	9.9
3	₹8,001 to 12,000	19.0	19.7	20.7	12.5	15.6	29.6	-	19.1
4	₹12,001 to 20,000	56.0	35.5	48.3	37.5	44.4	44.4	-	48.1
5	Above ₹20,000	16.5	30.3	17.2	41.7	22.2	18.5	100.0	21.8
Total		100.0							
Number of sample return emigrants		200	76	29	24	45	27	2	403**

* Afghanistan & China

**one person forced to return within months and not send any remittances

On an average a household at the lowest range of remittance received an amount of Rs. 0.15 million and upper range Rs. 0.23 million per year. This means that the 403 sample return emigrant households received an amount ranging between Rs. 59.1 million and Rs. 93.4 million a year.

Causes of return

The returnees have reported five major causes of return. Majority returned by availing eligible leave or with the permission of employer to go to native place for a short period (54 percent). Another 32 percent returned due to closure of companies and business units which they worked (Table 12). Reduction in salary and non-renewal of work permit are the other causes of return (8.7 percent). Of the total returnees, only 5 percent was voluntarily returned to Kerala permanently due to personal reasons.

Table 12
Causes of return of sample return emigrant workers (Percent)

No	Causes of return	Saudi Arabia	UAE	Oman	Kuwait	Qatar	Bahrain	Others*	Total
1	Loss of job due to closure of company/ business units	26.5	34.2	27.6	36.0	42.2	51.9	-	31.9
2	Reduction in salary	1.5	9.2	13.8	-	2.2	3.7	-	4.0
3	Non-renewal of work permit	6.0	5.3	3.5	8.0	-	-	-	4.7
4	Availing leave**	58.5	47.4	51.7	52.0	53.3	44.4	100.0	54.2
5	Voluntary	7.0	3.9	3.5	4.0	2.2	-	-	5.0
6	COVID-19 fear	0.5	0	-	-	-	-	-	0.2
Total		100.0							
Number of sample return emigrants		200	76	29	25	45	27	2	404

* Afghanistan & China

**Availing eligible leave or with the permission of employer to go to native place for a short period.

Returned on leave but stranded in Kerala

A major finding of the study is that most of the emigrant workers returned to Kerala on leave from GCC countries were not able to return and stranded in Kerala. A good number of emigrant workers availing eligible leave or with the permission of employer returned to Kerala prior to the spread of pandemic and imposition of travel restrictions. But they were stranded in Kerala due to unanticipated developments such as sudden spread of COVID-19 pandemic, mobility and travel disruption, denial of employers to rejoin duty, closure of the units in which they worked, difference in vaccination policy perused in India and GCC countries, abnormal increase in air ticket fare etc.

In the vacancies arise due to the return of emigrant workers on leave, the employers in GCC countries resorted to the practice of recruiting emigrants available in GCC countries belonged to Philippines, Indonesia, Bangladesh, Nepal etc, who were prepared to work at low wages. The employers in GCC countries used this opportunity to replace the Keralite

emigrants by recruiting the above categories of emigrant workers. The abnormal increase in fee to GCC countries especially in Saudi Arabia to renew work permit and resident permit also discouraged the return of Keralite emigrant workers. It is reported by the sample returnees that the amount required for renewal of Iqama (residence permit) is 12,000 Saudi Riyal or about Rs. 0.24 million per year in Saudi Arabia.

Activity Status of Return Emigrant Workers after Return

A main issue of sample returnees after return to their native place in Kerala is their activity status. Another issue is that the amount of remittances the household received and the current income of those who work in the local area after return. The activity status of the return emigrants is classified into three viz. (1) employed, (2) unemployed and (3) not in labour force. Employed are defined as persons who engage in remunerative or income earning activities, at least a few hours in any one of the days in the previous week of the survey. The unemployed is a person who remained without any income earning work or activities throughout the previous week of the survey, but seeking or available for work.

The important impact of the return is that 71 percent of sample return emigrant workers remained unemployed without any income from work at the time of the survey (Table 13). Among the returnees in Kannur, Malappuram and Pathanamthitta districts more than 75 percent remained unemployed. Of the unemployed nearly 78 percent belong to the age below 50 and are in the active working group.

Table 13
Activity status of sample return emigrant workers after return

No	District	Number			
		Employed	Unemployed	Not in labour force	Total
1	Kannur	10	75	1	86
2	Kozhikode	53	57	1	111
3	Malappuram	33	113	-	146
4	Pathanamthitta	11	33	-	44
5	Thiruvananthapuram	9	8	-	17
	Total	116	286	2	404
		Percentage			
1	Kannur	11.6	87.2	1.2	100.0
2	Kozhikode	47.7	51.4	0.9	100.0
3	Malappuram	22.6	77.4	-	100.0
4	Pathanamthitta	25.0	75.0	-	100.0
5	Thiruvananthapuram	52.9	47.1	-	100.0
	Total	28.7	70.8	0.5	100.0

On the other hand, of the total sample returnees, 116 are working as casual labourers and are engaged in self-employment (Table 14). Among them 90 are working as casual labour and 26 engaged in self-employment. The casual work is highly irregular and a worker may get 6-10 days of work per month at the maximum. With an average wage of Rs. 690 per day⁶, a male worker may get a wage for 6 days is Rs. 4140 and a wage for 10 days is Rs. 6900 per month. This is in contrast to Rs. 12,219 and Rs. 19,315 received per month as remittances by a household. This indicates that compared to the net remittances received by the household, the wage earned by the casual workers was in the range of 34 percent to 36 percent.

Table 14
Category of employment of sample return emigrant workers

No	District	Number		
		Self-employment	Casual labour	Total
1	Kannur	5	5	10
2	Kozhikode	9	44	53
3	Malappuram	10	23	33
4	Pathanamthitta	-	11	11
5	Thiruvananthapuram	2	7	9
	Total	26	90	116
		Percentage		
1	Kannur	50.0	50.0	100.0
2	Kozhikode	17.0	83.0	100.0
3	Malappuram	30.3	69.7	100.0
4	Pathanamthitta	-	100.0	100.0
5	Thiruvananthapuram	22.2	77.8	100.0
	Total	22.4	77.6	100.0

Among the 26 sample return emigrants, who engaged in self-employment, 18 are engaged in own business and small trade and 8 autorikshaw owner cum drivers. The informants have not given the income earned from their self-employment. Thus the survey findings suggest that due to unemployment of 71 percent of the return emigrants, these households are pushed to acute economic distress.

Impact of Return on Emigrant Households

A core issue is how the return emigration affected the receipt of remittances, poverty, debt, consumption level of the return households. The sample returnees told us that their households have somewhat of a sound financial situation prior to the return of them. The return emigrant workers had been sending remittances on a monthly or regular basis to their

households. They used to send an average monthly remittances ranging below Rs 5000 and above Rs 20,000. These households had received an annual amount ranging between Rs 0.15 million and Rs 0.23 million. Due to the return of emigrant workers, the flow of regular remittances had stopped in 404 households. This is a great loss for the households who mainly relied on the remittances for meeting their household expenditure. This loss of remittances have shattered the finances of all the sample returnee households.

Population in the Returnee Households

We have collected data about the urban and rural distribution of returnee households, the total population in the households and its break up into children below 6 years, return emigrant workers and others. In the sample of returnee households 47.5 percent belong to urban area or municipalities and the rest belong to rural area or gramapanchayats. In three districts viz. Kozhikode, Malappuram and Pathanamthitta, our sample households comprise both rural and urban households.

The total number of persons in the sample return emigrant households is estimated as 1859 and the average number of persons per household is 4.6 (Table 15). The average number of persons per household in the returnee households in Malappuram district is found the highest (5.2). Of the total population in the sample returnee households, 21.7 percent were return emigrants, 20.4 percent housewives, 5.1 percent children below 6 years, 8 percent old people and the rest, others.

Table 15
Number of persons per sample returnee households

No	District	Children below six years	Return emigrant workers	Others	Total No. of persons	Average no. of persons per household
1	Kannur	32	86	259	377	4.4
2	Kozhikode	18	111	345	474	4.3
3	Malappuram	33	146	572	751	5.2
4	Pathanamthitta	7	44	132	183	4.2
5	Thiruvananthapuram	4	17	53	74	4.4
	Total	94	404	1,361	1,859	4.6

Below the Poverty Line Households (BPL)

In order to find the economic situation of households, we have collected the data on the category of ration cards. Of the total sample returnee households, 21 percent belonged to the BPL⁷ (Table 16). Among the sample returnee households in northern Kerala, the share of BPL

households is found high in Malappuram district. Some of the return emigrants told us that they have changed the above the poverty line (APL) cards to BPL after returning from foreign countries. This indicates that the return of emigrants and loss of remittances have already converted the sample households to BPL category. Conversion of APL to BPL is a very difficult process and norms other than income such as plinth area of the house, type of motor car etc. are also used. It is likely that majority of the sample returnee households will become BPL households, if the returnee emigrants won't get a chance to return.

Table 16
Category of ration card of sample returnee households

No	District	Number			
		Non-Priority (APL)	Priority (BPL)	Nil	Total sample households
1	Kannur	68	14	4	86
2	Kozhikode	85	21	5	111
3	Malappuram	109	34	3	146
4	Pathanamthitta	40	4	-	44
5	Thiruvananthapuram	6	10	1	17
	Total	308	83	13	404
		Percentage			
1	Kannur	79.1	16.3	4.6	100.0
2	Kozhikode	76.6	18.9	4.5	100.0
3	Malappuram	74.7	23.3	2.0	100.0
4	Pathanamthitta	90.9	9.1	-	100.0
5	Thiruvananthapuram	35.3	58.8	5.9	100.0
	Total	76.2	20.6	3.2	100.0

Asset possessed by the returnee households

Regarding possession of land, we feel that the returnees have given an underestimate figures. It is reported that 78 percent of the households possess land and 22 percent do not possess land. The area of land possess ranged between below 10 cents and above 40 cents. The survey findings suggest that 98 per cent of the returnee households owned a house. Of the total houses, the return emigrant own 63.4 percent, parents of the return emigrants own 34.9 percent and rest is rented houses. Data on possession of motor vehicles by sample return households show that 91 percent returnee households owned motor vehicles and 9 percent not owned any motor vehicle. Of the total motor vehicles, two wheelers account for 80.2 percent, car 17.8 percent and autorikshaw 1.8 percent. All the motor vehicles are used for travel of the members of the households except the 8 autorikshaws and one mini bus.

Debt of the households

Data on the debt of the households show that 98 percent of the sample households have borrowed money and have debt. The major purpose of borrowing was construction of house, purchase of vehicles, purchase of land, medical treatment, education of children etc. It is reported that the amount of debt ranged between 0.2 to 1.4 million. Due to the return of emigrant workers and loss of remittances, the returnee households will find it difficult to repay the loans. Loss of remittances will also force households to effect a cut in expenditure on consumption items such as food, consumer durables, clothing etc.

Impact on Local Labour Market

In the context of large scale return of emigrant workers, an important question is what is the impact of the return on local labour market? In practice, the definition of a local labour market is established on the assumption that its key characteristic is that the bulk of area's population habitually seek employment there and that local employers recruit most of their labour from that area. The area of local labour market comprises of an area of local government in which the returnee lives (GramaPanchayat or Municipality) and its surrounding places or the places accessible from the residence of the returnees. The data collected from the sample return emigrants show that the employment structure in the local labour market is characterized by casual and self-employment with very few regular employments. According to our sample survey, 78 percent of the returnees worked as casual labourers and the rest were engaged in self-employment in the local labour market. Jobs having regular nature or monthly wages are scarce and no sample return emigrant is able to get it. Due to this nature of labour market, workers migrate to foreign countries, especially to GCC countries to secure regular and remunerative jobs, which provide them reasonably good savings.

The COVID-19 pandemic and the disruption arising due to it have the following impact on the local labour market. (1) The COVID-19 induced crisis and the fall in remittance of the migrant workers have resulted in recession reducing secondary and tertiary sector jobs and increase in unemployment rate. (2) Return emigrant workers due to loss of jobs are stranded in Kerala due to travel related restrictions, began to seek jobs in local labour market and added to the work force. (3) There has been an increase in excess supply of labour force of all categories resulting in increase in unemployment rate. (4) These impacts have severely restricted the occupational and geographical labour mobility and emigration of the prospective emigrants.

We may examine the change in local labour market prior and after the return of migrant workers. The COVID-19 pandemic and the disruption created due to it have created severe adverse effect in the local labour market in several ways. The pandemic has resulted in contraction of secondary and tertiary sector investment, production and employment in rural and urban areas in Kerala. The fall in remittance from the emigrant workers and large scale return of them has aggravated the situation. We have estimated the number of employed and unemployed persons excluding the sample return emigrant workers. We find that of the 404 returnee households, 91 had an employed person and the total number of employed was 102 (Table 17). Of the total 404 sample households, 170 households have unemployed persons and the total number was 187. This is the employment and unemployment situation of the returnee households excluding sample returnees.

Table 17
Households having employed and unemployed persons excluding sample return emigrant workers

Name of District	Number of household having employed persons	Number of employed persons	Number of household having unemployed persons	Number of unemployed persons
Kannur	9	11	48	51
Kozhikode	22	26	37	37
Malappuram	48	53	69	81
Pathanamthitta	10	10	8	9
Thiruvananthapuram	2	2	8	9
Total	91	102	170	187

Let us examine the impact of the return emigrant workers in the local labour market. Though 404 emigrant workers returned, the number of sample emigrant workers entered in the local labour market was 116. As a result of this, the total workers in the sample households increased from 102 persons to 218, an increase of 114 percent. Thus a major impact on the local labour market is steep increase in additional workers, who were formerly migrant workers resulting in sharing the existing amount of work available. The data suggests that the growth in the number of employed persons was high in Thiruvananthapuram, Kozhikode and Pathanamthitta districts.

Another impact is the increase in unemployment rate. Of the total returnees of 404, 286 persons remained as unemployed and added to the stock of unemployed persons (Table 18). And the total stock of unemployed persons increased to 153 percent due to the return of

sample emigrant workers. And there was a spurt in excess supply of labour force of all categories resulting in abnormal increase in unemployment rate. These developments in the labour market have severely restricted the occupational and geographical labour mobility and emigration of the prospective emigrants.

Table 18
Increase in unemployed persons due to return of sample emigrant workers

No.	District	Unemployed persons in the sample households	Unemployed persons added due to return of emigrant workers	Total number of unemployed persons	Growth Rate (%)
1	Kannur	51	75	126	147.1
2	Kozhikode	37	57	94	154.1
3	Malappuram	81	113	194	139.5
4	Pathanamthitta	9	33	42	366.7
5	Thiruvananthapuram	9	8	17	88.9
	Total	187	286	473	152.9

Bleak labour market and remigration

A major finding of the survey is on the views of the return emigrants about the labour market situation prevailing in Kerala. The returnees firmly believe that the labour market situation and prospects of regular and remunerative jobs are bleak in Kerala. The returnees, who had regular jobs and earning monthly wages in GCC countries prior to return, are frustrated in the new labour situation in Kerala. They believe that remigration is a better option than finding a job in their locality. Regarding our question on the issue, 88 percent of the sample returnees told us that remigration is a better option than finding a job in Kerala. They have a strong preference for the remigration because they feel that through emigration, they can get a regular job; assured monthly income, monthly savings, monthly or periodical remittance; and economic stability of their families.

Conclusion

The COVID-19 pandemic disruption in GCC countries had resulted in unprecedented exodus of Indian emigrants from GCC countries. Due to COVID-19 pandemic and related disruption, the contract category of Keralite emigrant workers employed in GCC countries, who used to send sizeable amount as remittances to their households on regular basis, forced to return to Kerala due to loss of jobs and other disruption, those returned on leave were unable to return and the return emigrant households experienced total loss of remittances and

acute economic distress. It is estimated that the average amount received by the sample returnee households as remittance range between Rs 0.15 million and Rs. 0.23 million per year prior to return. The return has resulted in total loss of remittances received by the households on regular basis, shattered their finances, increase their debt burden and pushed them to acute economic distress.

Majority of the returned emigrants who availed leave and came to Kerala could not return to GCC countries and stranded in Kerala due to unanticipated developments such as imposition of mobility and travel restrictions, closure of units in which they worked and denial of employers to re-join duty. The inability of return emigrants to return within the stipulated date, the disruption in international travel, the difference in vaccination policies followed by India and GCC countries, filling the vacancies arise due to return of Keralite emigrants on leave with emigrants from other countries, large increase in fee for renewal of work permit and resident permit, deliberate policy perused to curtail the number of foreign workers etc have prevented their return to GCC countries.

Due to return, most of the emigrant workers became unemployed, remain without income, faced high uncertainty to find employment and pushed them to poverty. The return of emigrants have pushed about two thirds of sample returnees to poverty.

The local labour market experienced fall in employment due to pandemic induced recession and loss of remittances on the one hand and increased demand of labour arising due to entry of return emigrants in labour market, excess supply of labour and restricted international labour mobility on the other, resulting in increase in unemployment rate. The return emigrant workers feel that the labour market situation and prospects of getting regular and remunerative jobs are bleak in Kerala and they have a strong preference for remigration to secure a regular job, assured monthly income and to achieve economic stability of their families. The survey results support the two hypotheses, we put forward to explain the COVID-19 induced return of emigrant workers.

Notes

¹According to World Migration Report 2022, the total stock of international migrants in the World was 280.59 million in 2020. The stock of Indian emigrants was estimated as 17.86 million or 6.4 percent of total stock of global migrants. According to World Migration Report 2022, the total global remittance was USD 702 billion in 2020. India received a sum of USD 83.15 billion or 11.8 percent (IOM UN 2021).

²According to a Lok Sabha unstarred question No. 234 dated on 04/08/2021, the number of repatriated Indians under Vande Bharat Mission up to 30 April, 2021 was 55,93,431. Of this, the number of Keralites was 14,10,275.

³ For a discussion on ILO's definitions of different types of migrants see: International Labour Organisation (1997). International Migration statistics: Guidelines for improving data collection systems. Geneva: ILO, Chapter 2.

⁴ For a discussion on COVID-19 disruption in international migration. See: International Organisation for Migration (UN migration) (2022). World Migration Report 2022. Geneva: IOMUN. Chapter 5.

⁵ International Organisation for Migration (UN migration) (2022). World Migration Report 2022. Geneva: IOMUN. Page 23.

⁶According to PLFS annual report 2019-20, average wage earnings per day from casual labour work (for male worker) other than public work in CWS for Kerala in April-June 2020 was Rs. 690.09. See: Kerala State Planning Board (2022). Economic Review 2021, Vol. 1, page 337.

⁷BPL or Priority households: The following categories are excluded from the priority ration cards or BPL cards. All staff in government, public sector and cooperatives; service pensioners; income tax payers; persons having income more than 25,000 per month; ownership of more than one acre land; having house or flat with a plinth area of more than 1000 sq.km; a four wheel motor car for own use and any one of the family member getting more than Rs. 25000 per month from foreign job or private job.

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