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Gulf Migration and its Impact on India and Indo-Gulf Relations

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Large-scale Indian migration to the Gulf countries is a recent phenomenon. In 1948, for example, there were only 14,000 Indians in the West Asian countries. Of these 5,594 were in Aden, 1,138 in Bahrain, 1,000 in Egypt, 2,500 in Iran, 650 in Iraq, 1,250 in Kuwait, 1,145 in Muscat, and less than one hundred each in Jordan, Lebanon, Palestine. Syria and Turkey[1] (Kondapi 1951:528). In the next two decades the Indian population in West Asia almost tripled. Thus in 1970-71 there were a little over 40,000 Indians in the Gulf. The countrywise break up was some what like this: Aden 2,000, Bahrain 5,500, Iran 1,000, Iraq 12,000 Kuwait 12,000. Muscat 4,500, Qatar 2,000 and Saudi Arabia 1,000[2]. (Tinker 1977:12). Since then as a result of the booming oil economic and the shortage of labour in the Gulf Countries, there has been a phenomenal increase in the number of Indians working in the Gulf countries.

Presently, there are about 2.0 million Indians working or living in the West Asian countries. Out of them, about 1.8 million are in the Gulf countries. The rate at which Indians had been migrating to the Gulf and other West Asian countries in the recent past can be seen from the fact that in 1982 over 239,500 workers were there for seeking employment. The corresponding figure for the years 1986 and 1990 were 113,600 and 143,500 respectively (see Table 1). Most of these emigrants were unskilled and semi-skilled workers. The available data on the occupational status of Indian workers in the Gulf countries suggest that until 1980s more than half of them were employed in the construction and transport industries. Utility and maintenance constituted another important category of employment followed by office and paramedical services. Between 40% and 50% of the Gulf emigrants were from Kerala; the rest came from Andhra Pradesh, Tamil Nadu, Goa and other provinces of India.

Due to the unavailability of systematic data we are not in a position to calculate the exact number of Indian workers or Indian migrant populations in the Gulf countries during the 1980s. Estimates made in both sending as well as receiving countries vary widely. Thus for the early eighties, the Indian sources estimated the population of the Indian workers in the Gulf countries ranging from 600,000 to 800,000, while the sources in the receiving country put it at less than 300,000. However, there appears to be some unanimity regarding the estimates for the current as well as the early period of Indian migration to the Gulf. The estimates made by Seragaldin et al and Birks and Sinclare for 1975 marginally differ from each other; 141,900 and 154,418 respectively. Similarly, for the early 1990s the population of Indian migrant workers were estimated at about 1.1 million and the total Indian population in the area at about 1.4 million (Table 2) and so far as the distribution of Indians in the Gulf countries are concerned, Saudi Arabia with about half a million migrants had the largest expatriate Indian community in the region followed by the United Arab Emirates.

Table 1: The distribution of Annual Labour Outflows from India to the Middle East by Country of Destination 1982-1990

(Number of Persons)

Country	1982	1983	1984	1985	1986	1987	1988	1989	1990
Bahrain	17,069	18,894	15,514	11,246	5,784	6,578	8,219	8,520	6,782
Iraq	35,268	13,001	11,398	5,855	5,040	2,330	4,284	5,085	1,650
Kuwait	9,764	11,490	5,466	5,512	4,235	7,354	9,653	5,679	1,077
Libya	10,433	5,900	5,179	2,449	2,552	2,272	593	632	305
Oman	39,792	49,120	43,228	37,806	22417	16,362	18,696	16,574	34,267
Qatar	14,357	7,772	4,362	5,214	4,029	4,751	4,654	7,991	3,704
Saudi Arabia	78,297	83,235	88,079	68,938	41,854	57,234	85,289	49,710	79,473
United Arab Emirates	19,277	25,559	24,286	21,286	23,323	24,931	34,029	26,189	11,962
Others	15,288	7,024	8,410	4,729	4,415	3,544	4,471	5,406	4,345
Total	239,545	224,995	205,922	163,035	113,649	125,356	169,888	125,786	143 565

Source: Deepak Nayyar, Migration Remittance and Capital Flows, OUP, Delhi, 1994; p.27

Table 2: Estimates of Indian Migrant Workers in the Gulf Countries, 1975, 1981 and 1992.

Country	Number of Indian Workers		
	1975	1981	1992
Bahrain	8,943	25,000	80,000
Kuwait	21,475	80,000	120,000
Oman	26,000	65,000	100,000

Qatar	16,000	25,000	50,000
Saudi Arabia	15,000	80,000	500,000
U.A.E.	61,500	250,000	600,000
Total	154,418	599,500	1,450,000

Impact of Gulf Migration

International labour migration usually throws up a number of social problems such as weakening of the family, marital disruptions, neglect of children and their education, and psychological stresses and strains on the spouse. Relatively more integrated family and community life in Asian countries, however, help in preventing and moderating these problems. Available data on the social and psychological impact of international migration in Asia suggest that such migration has both positive and negative impact on the family and community life of the migrants. In his study of the socio-economic conditions and problems of the Middle East return migrants Ro argues that in Korea the father's absence has a negative impact on children's education because of a decrease in discipline and motivation. Contrary to this, studies in the Philippines and Thailand suggest that education is one of the major objects of expenditure, and remittances obviously help in this regard (see ESCAP 1986).

Similarly, if on the one hand international migration results in the emotional problems for the left-behind spouse who either has to live alone or in the joint family, then on the other hand, migration may be fostering a significant change in the status of women. The non-migrant women acquire a more independent outlook by having to manage the household including financial transactions. This is confirmed by a major empirical study of the impact of male migration on women in Kerala state. It found that although such women start with a number of handicaps, they tend to become self-reliant over time. They take on increased responsibilities for running the household on their own, and even for the management of money and property. Furthermore, the study observes that "the migration of men breaks down women's isolation, increases mobility and brings them into contact with a wide network of institutions than were in their purview before"(Gulati 1993:144). On the whole, Gulf migration appears to have a positive impact on the women in India. The positive impact of international migration far outweighs some of its negative impacts such as incidences of infidelity and divorce, which are not very frequent.

On the whole, it is fair to say in the words of an United Nations study on return migration in the Asia-Pacific region that "the very weak evidence so far available does not indicate a high prevalence of family problems related to temporary labour migration. The most serious problems that have risen have more to do with the economic conditions of the migrants and with household finances" (ESCAP 1986:8). To these we turn our attention next.

Remittances and their uses or misuses constitute one of the most important aspects of economic impact of international migration. At the macro-economic level NRI remittances and investments have played an extremely important role in India's economic development. India's foreign exchange receipts from remittances have increased several folds during the past two decades or so. According to one estimate, India's forex receipts totalled less than $300 million in 1974-75, while by 1984-85 this figure had increased to $2,500 million, the West Asian share in the country's total receipts was 12% in 1974-75 and 58% in 1984-85 (Nayyar 1989). According to estimates made by Gulati and Mody (1983), Kerala accounted for 42% of the country's remittances receipts from West Asia in 1981-82.

NRI deposits have immensely helped India in averting its balance of payment crisis. A time series data compiled by the Department of Economic Analysis and Policy of the Reserve Bank of India on India's balance of payment trends since 1948-49 show that Non-Resident Indian Deposits (NRDs) have risen continuously since the mid-1970s. The data further suggest that the dependence on NRDs grew substantially in the 1980s from $1.8 billion in 1980-81 to $10.4 billion in 1989-90 and $10.6 billion in 1990-91, before falling for the first time in 1991-92 to $7.8 billion. The reversal in the rising trend of NRDS was clearly linked to large-scale withdrawal of such deposits by Non-Residential Indians following the outbreak of Gulf War in later 1990. Since then the NRDs have picked up again and in 1993 India's forex reserves, excluding gold and SDRs, were estimated to be $10.2 billion by January 1994, and well over twenty billion dollars by the end of 1994.

It goes without saying that Indian workers who generally migrate without their families for a number of reasons, save most of their earnings as they get free food, accommodation and transport during their stay in the Gulf countries. The remitted money is mostly spent on the up-keep and maintenance of the households, paying outstanding debts, purchasing land and building houses, and buying consumer durables. Lavish expenditures on marriage and other festive occasions have also been reported from the migration areas in Kerala and elsewhere. It appears that very little amount of remittances is used for economically productive purposes. As Nair (1989:344) put it:

"The available evidence suggests that migration and the resultant receipt of remittances do not seem to have made any significant impact on economic growth rate of the state economics. Nor did they have substantial effect on employment rates, labour market conditions, agricultural development and industrialisation. It would appear that the major part of the remittances which flowed into Kerala seeped into other regions of India through the mechanisms of trade in consumption goods and construction materials caused by the changes in consumption patterns and the boom in the house of construction sector".

Although most of the Gulf workers send their remittances through official channels, a considerable number of them also send their money through *hawala* and other illegal channels. These channels usually offer Rs. 10/- commission for every dollar. Attempts to curb such transactions have not been successful in the past. However, if the government can pay competitive premium on worker's remittances, a considerable amount of foreign exchange can be attracted by diverting unofficial transaction through official route. This would also help curbs smuggling of gold, gems, jewellery, electronic and textile goods and life saving drugs etc. to India as the *Gulf-hawala* dealers would have less foreign exchange at their disposal from this source.

The NRI investment in India assumes significance in light of the fact that the country does not have enough resources to meet the needs of the developmental work on the one hand and international debt servicing on the other. About one third of country's foreign exchange earnings every year go for debt servicing which is equal to 20% of the GDP. The Government therefore is looking for substantial investment by the NRIs, which is thought to be better than borrowing form the World Bank, International Monetary Fund, or market borrowing as these could eventually lead to debt trap. Under the new industrial policy, therefore, the Government of India has taken steps to facilitate import of capital goods, raw material, components, technology and foreign investment.

Thanks to the new industrial policy, the country now has more congenial investment climate than ever before. With the provision of 51% equity participation for the NRIs in the new companies under the new industrial policy, a number of banks, state governments and private companies have already started taking measures to attract NRIs and other foreign investors in India.

Indians abroad have a large pool of investible funds. As already pointed out there are at least 15 million peoples of Indian origin outside India. Their accumulated wealth at a conservative estimate, would amount to more than \$100 billion, the equivalent of Rs. 3,12,000 crore, The total NRI direct investment during the period 1975 to 1992 had been only Rs. 582 crores (or \$230 million at the current rate of Rs. 39 per dollar). This was only 10 per cent of the total foreign investment in India during the same period. Since 1992, however, the NRIs investment in India has increased significantly. After the USA, Switzerland, and Japan, NRIs have emerged as the fourth largest investors.

International response to economic liberalization in India has not been very encouraging in comparative terms. In 1992, for example, approvals for direct foreign investment in India amounted to only \$1.25 billion against \$ 10 billion in China \$6 billion in Mexico, \$3 billion in Thailand. In this connection the noted Jurist Mr. Nani A. Palkhiwala suggests that legal consistency is needed on the parts of the Government of India, state governments and other public authorities in order to woo the NRI and other foreign investments.

Bureaucratic red tapism and the complicated procedures are the two more obstacles in the way of attracting NRI investments in India. The Gulf NRIs have also been pleading for quite some time for the creation of a separate ministry for the NRIs so that their skill, expertise and resources could be coordinated and better utilised for the development and modernisation of India. In this demand they are joined by the NRIs from the UK and the USA who have also been demanding the same from time to time. Thus with the installation of the Congress Government in New Delhi in 1991, the demand was revived by the Indian Association of United Kingdom in June 1991.

Although we do not have full information on different kinds of productive investment made by the Gulf NRIs (or for that matter other NRIs), the following two schemes launched during the early 1990s, fully highlight the significance of NRI investment in India.

1. **Airports Modernisation Scheme**. The Ministry of Civil Aviation has evolved a scheme of financing development and modernisation of three existing airports in the country with the help of the Gulf NRIs, state governments and the National Airport Authority (NAA). The two airports planned to be upgraded to international standards are in the State of Kerala-Cochin and Calicut. The third is the Tirupati airport in Andhra Pradesh. The total cost is estimated at Rs. 200 crore. According to the scheme, the NRIs would provide financial resources, while the state governments

and NAA will jointly supervise the work. In December 1993 a high level delegation had already visited the Gulf region in order to raise at least Rs. 30 crore for the Calicut airport.

2. **Bombay Fund**. In July 1993 a drive to raise $50 million from NRIs for investment in the Indian Stock market was launched in the Gulf States. The fund known as the Bombay Fund will basically invest in the stocks of 61 companies figuring in the International Finance Corporation investible index. While the minimum investment will be $ 10,000 the fund is aiming at high net worth individuals and institutions in the United Arab Emirates, where the minimum amount will be $50,000.

Regarding NRI investment in India it can be effectively argued that the desire on the part of the Gulf and other NRIs to invest in India and to retain their Indian citizenship should be seen not so much as an expression of their patriotism but as a pure and simple economic calculations. If India provides competitive advantage in business operations for the NRIs they would be more than willing to invest in India; if not, they might go elsewhere. This was seen during the 1990-91 Gulf crisis when Indian economic began to show the balance of payment crisis. The NRI investment in India had begun to decline and a considerable number of NIRs did not renew their FCNR deposits on maturity: instead they preferred to invest the money abroad.

The policies adopted by the later United Front government headed by Deve Gowda and I.K. Gujaral have tried their best to keep up the pace of liberalisation of Indian economic. They have introduced further relaxation measures to ensure the flow of NRI investments.

Impact of Gulf Return Migration

Perhaps the most significant problem of Gulf return migration is the problem of economic integration of the returnees. This problem may be highlighted with reference to the State of Kerala which has been sending about 40%-50% emigrants to the Gulf and where the impact of return migration is strongly felt.

It is widely known that a majority of return migrants join the ranks of unemployed whose number in the late 1980s was estimated at about 3 million and who currently number about 4 million. Though the state accounts for 3.7% of the country's population, the number of employment seekers were more than 10% of the total job seekers in the country. Sample surveys data available with the employment exchanges show that unemployment in Kerala is much higher than in any other state of India. High proportions of the unemployed are educated people. As many as 53% of the job seekers have at least a Secondary School Leaving Certificate (SSLC), and 62% of the unemployed and underemployed have qualifications above the primary level.

The problem of unemployment is particularly acute among the highly educated and technically qualified persons. As substantial proportion of the Gulf returnees belong to this category of workforce. These are joined by fresh students who graduate every year from innumerable technical and other educational institutions. There was little demand for their skills as in the wake of the "Gulf bust" in the later eighties the construction and service industries had considerably slowed down.

The problem of unemployment among the return migrants in Kerala can fully be appreciated against the backdrop of the overall development of the state's economy, which is predominantly an agricultural economy. About 60% of its income is derived from agriculture. Its traditional crops such as pepper, ginger, cashew, tea, arecanut, sugarcane, topioca and rice had given the peasants a measure of self-sustaining independence as well as freedom from the vagaries of nature. However, in the seventies, as the agricultural land began to be bought by speculators, fields were converted into coconut groves or rubber plantations, the latter being particularly dependent on good monsoon rains. These crops are also less labour intensive. Rice production in Kerala has also been stagnated for a number of years and the state has been dependent on the Centre for its quota of rice.

Also, the industrial performance of Kerala is too dismal to help solve the problem of unemployment in the state. In fact, Kerala is one of the least industrialised states in India, manufacturing sector contributes no more than 15% of the net domestic productivity of the state. Factors such as lack of industrial infrastructural facilities, labour disputes, power shortage and lack of raw material have led to a situation of progressive deinudstrialisation on the one hand and distraction of fresh capital on the other. Due to lack of industrial climate some Gulf returnees of the state reportedly had gone to Tamil Nadu and Karnataka to start industries. Recently a group of economists have recommended to revamp the state-owned industrial units whose pitiable performance is considered an important factor in frightening away the prospective entrepreneurs. Kerala can also think of promoting tourism as an industry in a big way.

The health of the construction industry in Kerala in the past two decades has directly been related to the Gulf migration and return migration. Whereas the "Gulf boom" had proven a boon to the industry, especially in the late seventies, the "Gulf bust" of the late 1980s had taken the steam out of it. Thus the industry was not only unable to provide jobs for suitably skilled / experienced returnees, it had already rendered hundreds of artisans and construction workers jobless.

Other sectors of the Kerala economy had also undergone similar experience. Banking services are a case in point, which had suffered considerably in the wake of dwindling Gulf migration. According to report, for example, the banking business in a Malabar district village, which during the boom days had about 17,000 emigrants in the Gulf countries, had dropped from Rs. 20 crore a year to merely one crore rupees in 1986.

There is yet another dimension to the problem of unemployment among the Gulf returnees. As one journalist put it: "Gulf returnees, status conscious, and their actual occupations abroad often concealed anyway, will not risk their prestige or their backs by taking to farming, nor will they ever contemplate turning again into porters, waiters or labourers, for in Kerala those who have been to college generally shun anything except a "decent job".

In order to ameliorate the problems of Gulf returnees some well-planned rehabilitation schemes are required to be launched by the Central or State Governments. In Gulf migration areas those schemes can be conceived either a part of the general employment problem or exclusively aimed at the returnees. So far, in terms of the first option the Kerala Government had launched an unemployment assistance scheme in which 1.94 lakh persons were given about Rs. 6.70 crore by the end of 1987. Similarly, under the self-employment schemes a sum of Rs. 6.11 crore were provided which benefitted about 1.02 lakh persons during 1982-87. "Against the seed money thus advanced the commercial banks would have advanced credit amounting to Rs. 7.68 crore during this period. "It is difficult to say as to how many Gulf return migrants benefitted under these schemes. In this regard, what other state governments are doing is also not known.

Apart from these unemployment ameliorating ad-hoc measures, there is no concrete rehabilitation scheme in operation in Kerala so far. In 1987, the idea of a rehabilitation fund was mooted by the Kerala Government to help the Gulf returnees of the state. The Chief Minister E. K. Nayanar had demanded Rs. 750 crore for the purpose at a meeting of the National Development Council. In this connection he requested the council to formulate a rehabilitation scheme similar to the one for the refugees from Sri Lanka. Apparently, nothing has come out of it so far.

For an effective policy formulation and implementation regarding the problems of return migrants, it is of utmost importance to have a systematic data base, which can be maintained at both micro and macro dimensions of the problem. At the micro level, data on the characteristics of migration and return migration in terms of their volume, country of employment, duration of stay abroad, ports of embarkation and disembarkation, domicile and occupation of migrants/return migrants, etc. are important. Obviously there is a strong case for the introduction of disembarkation card, which has already been introduced in a number of labour exporting Asian countries including the Philippines and Sri Lanka. Emigration checkposts under the supervision of the Protectorate of Emigrants can be opened at the international airports, which can be used for maintaining and analysing this data base.

At the micro level we need to have sociological data in terms of such vital characteristics of migrants and return migrants as age, sex, marital status, educational level, occupation, rural / urban background, social status, etc. It is equally important to know through well-defined sociological studies the causes of migration and return migration. Whether these are the first time or final returnees? How and to what extent they have been able to upgrade their job skills? What kinds of problems they face in their readaptation to the community / region of origin?

In any attempt to formulate schemes of rehabilitation for returnees well functioning services of information and assistance to them are indispensable. In this regard central, regional and other local authorities can play the role of coordinating agencies. For example, regarding the problem of economic rehabilitation or unemployment among the returnees it is incumbent upon these coordinating agencies to suggest as to which sectors of the economy need to be expanded by a definite policy of investment, credits and development of infrastructural facilities.

It would not be inappropriate here to emphasize the point that any rehabilitation scheme should be designed as part of the overall manpower export policy. In this connection the idea of re-export of experienced returnees can be promoted which might also give India a competitive edge in the international labour market.

Implications for Indo-Gulf Relations

Although the overwhelming majority of the Gulf migrants by and large tend to strengthen international relations between India and the various Gulf countries, a few of them occasionally act as proverbial ‘black sheeps’. These latter NRIs are primarily involved in such criminal activities as smuggling, trade in narcotics and arms, extortions, and other subversive activities.

Dubai has long been associated with smuggling of gold, silver, precious metals, and electronic goods. A number of Indian and Pakistani smugglers live and work in Dubai. Until recently about 150 tons of gold and 1300 tons of silver used to be smuggled into India from the U.A.E., mainly Dubai. This is mostly done by *dhows*, “each of which normally carry 8 tons of cargo. At that rate, it works out to 150 landings on the Indian coast every year – almost one every alternate day”. Profits from smuggling are huge, ranging from Rs. 40,000 to Rs. 50,000 per kg. after deducting landing costs, *hawala* transaction charges, bribes, salaries / commissions, etc. “Of all Dubai’s smugglers, Dawood Ibrahim is the biggest. He is said to himself smuggle between 25 to 30 tons of gold to India annually. The rest is farmed out to other smugglers with Ibrahim acting as a commission agent who charges a fee from them for making available landing facilities on the Indian coast”.

The Emirate policy in regard to smuggling appears to be one of turning a blind eye to such activities, of course, so long as there is no breach of peace. Otherwise, the local authorities are known to come down with a heavy hand on trouble makers. Thus about three thousand Pakistani and five hundred Indian Muslim Immigrants (Mostly illegal) had to face deportation for their involvement in a demonstration against the Demolition of the Babri Mosque in Ayodhya in December 1992.

One recent irritant in Indo-U.A.E. relation involving some NRIs was the March 1993 Bomb blasts in Bombay in which 257 persons were killed, over 700 injured and property worth Rs. 27 crore destroyed. Whether this was a reaction to the demolition of the Babri Masjid in Ayodhya in December 1992 is not known, but the fact remains that the Government of India had carried out a massive crackdown on Dawood Ibrahim’s cartel. Search was particularly on for the Memon brothers — Yakub and Ismail – who reportedly slipped to Karachi via Dubai. In the absence of an extradition treaty between India and the U.A.E. (which is currently being finalized between the two countries), India’s request for the extradition of prime suspects in the Bombay blasts case is still pending with the U.A.E. government. On its part the Indian government has also been dithering over two important cases involving some former NRIs who had fled the UAE and therefore, could not be punished as per the Emirates laws. One case relates to one Mr. G.R. Sitaram, who was implicated in an embezzlement case and the other relates to hijacking of an Indian Airlines aircraft to Dubai in 1984 by seven persons. Thus both sides have some grievances against each other. It is hoped that the finalisation of the extradition treaty between the two countries would put an end to such irritants in Indo-U.A.E. relations.

Smuggling of South Asian children for camel races in the Gulf countries, Arab marriages to poor, young Muslim girls and clandestine flesh trade are some other dimensions of undesirable Indo-Gulf trade which, when reported in the press, usually tend to create adverse public opinion in India against the Arabs in general. “Arab visitors known for their wealth, lure through, unscrupulous agents, young girls into so-called “marriages” where kazi and agent are in league with the Arab buyer” (Gogate 1986:50). Some of these Arab men happen to be quite old and already married several times. Cases of such marriages are often reported from Hyderabad and

Bombay. In two widely publicized recent cases of Ameena and Kaneez legal action was taken against the rights' parents as well as the Arab "bridegrooms".

Concluding Remarks

In spite of drastic reduction in the pay and perks, humiliating working condition, changing requirements of manpower, and increasing emphasis on Arabisation of work-force in the post-war Gulf countries, an increasing number of Indian migrants are marking a beeline to desert destinations for jobs. In the period, between April 1992 and May 1993, about 372,000 Keralites alone had reportedly flown out to the Gulf countries. The phenomenon, however, appears to be understandable given the fact that there are very few employment opportunities left in Kerala. Currently, the number of unemployed in the state is reckoned to be around 4 million. In other regions of India which send migrants to the Gulf countries, the economic situation may not be any different. Be that as it may, the Gulf migration is still an attractive proposition to the country as well as the individual emigrants and their families. As such the Gulf countries continue to remain the *EI Dorado* for an overwhelming number of Indian emigrants.

The importance of manpower export and re-export for India is underscored by the fact that remittances from abroad constituted 25% of its export earnings in the mid eighties. According to an International Labour Organisation report released in the later 1988, the remittance inflows were 1.5% of India's gross domestic product, 6% of gross domestic savings, and 7% of gross domestic capital formation. In spite of this, however, as the ILO report itself pointed out. India had not made serious efforts to "manage, plan or canalise" manpower export to West Asia which accounted for 95.2% of the country's total labour emigration during 1982-86.

The study states that the export of workers from India is largely left to recruiting agents and that the Government's intervention is limited to ensuring that the terms and conditions of employment conform to the specified minimum norms. Similarly, regarding financial flow of remittance deposits and investments, the Indian Government offers no incentives in the form of premium exchange rates or the use of proportion of remittance for imports, the study points out. Also, there is no obligation on the part of migrant workers and their employers to remit any portion of their earnings to India. Foreign exchange control regulations only stipulate that remittance should be channelled through official banking system and that balances held abroad repatriated when the migrants return. Such balances can be kept in a special account and the migrant can claim 50% of the amount within a period of 10 years. The study further points out that the Indian Government tries to induce only the high skilled and high-income people living or working abroad to provide repatriable financial resources.

Besides sending remittances, which have averted India's balance of payment crisis in recent years that have raised the level of forex reserves to a respectable level, Indian emigrants' role in boosting up Indo-Gulf trade is equally important. The latter role is even more admirable given the fact that the expatriates in the Gulf countries are allowed to do business only under the sponsorship of a local citizen. Nevertheless, if India benefits from such a migration, the Gulf countries too find it equally beneficial. The benefits are derived from the fact that Indian immigrants are generally hardworking, sincere, efficient, low-paid and law-abiding.

Finally, the question of rehabilitation of Gulf return migrants is important given the fact that labour migration to West Asia is not a permanent phenomenon as the migrants are not given immigrant status in the receiving countries. Ideally, there is a need to transform this one time migration-return migration process into what is known as "circular migration" which is characterized by short term, transitory, repetitive or cyclic movements of people in which the migrants lack any declared intention of permanent or long-lasting change in residence. The smoothness and efficiency with which this process of circulation operates would largely determine the success or failure of our manpower export policy.

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