



Should Kuwait's draft expat bill worry India?

Context:

- Kuwait's draft expatriate bill.

What is the importance of Middle East for India?

- Around eight million Indians work in the GCC countries.



- Around 2.1 million of them are from the state of Kerala.
- Other major contributors to the Indian expatriate communities in GCC countries are Uttar Pradesh, Tamil Nadu, Bihar, West Bengal, Punjab and Rajasthan.

What is Kuwait's draft law?

- Kuwait is pushing for a drastic reduction in the number of expatriates which is now pegged at 70% of the total population.
- Kuwaitis are a minority in Kuwait. Of the total population of 4.3 million, Kuwaitis are 1.3 million, which is less than one third. There are more Indians than Kuwaitis in Kuwait.
- According to the Indian Embassy in Kuwait, there are **around a million-plus Indians in Kuwait**. The Indian community in Kuwait has been growing at 5-6% per annum until the economic crisis triggered by the COVID-19 pandemic put an abrupt stop to immigration to the country. Indians are the largest expatriate community.
- The Kuwait National Assembly is discussing **several proposals to reduce the share of foreigners in the country's population**. One of the proposals under consideration is to put **country caps on the number of emigrants in the country**. According to this plan Indians should not exceed 15% of Kuwaiti

13.07.2020

Monday



<http://www.sriramsias.com>

citizens, while Egyptians, Bangladeshis and Filipinos among others must not each exceed 10% of Kuwaitis.

Nativism:

- In the past, high unemployment among the natives, economic crisis and demographic imbalance had triggered **movement for nationalisation of the workforce**.
- This has been a lingering concern in all GCC countries — Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates — but the ongoing COVID-19 pandemic renewed the debate.
- COVID-19 exposed the huge concentration of certain populations among the expatriates, and the resulting imbalances.

What are the challenges to India and Kuwait?

- If Indians cannot exceed 15% of Kuwaitis, the cap would be around two lakh.
- This would require a large number of India's to return back to India. This would not only **affect the flow of foreign remittance to India** but also **pressurize the already grim employment scenario in India** wherein the returning expatriates would be competing for the limited job opportunities available locally.

Challenges to Kuwait:

- Despite the renewed push for nationalisation of jobs and diversification of expatriates, the structure of the GCC economies makes any dramatic change unlikely.
- About 3.27 lakh of the Indian expatriates are domestic workers (i.e. drivers, gardeners, cleaners, nannies, cooks and housemaids). A large number of Indian workers are also involved as construction workers.
- There is a **division of labour** among the different classes of the society and that cannot be changed in a hurry. Replacement of Indian or Asian workers on a large scale is not possible, and native Arabs will not do certain categories of work.
- Around 5.23 lakh Indians are deployed in the private sector, as technicians, engineers, doctors, chartered accountants, IT experts, etc. About 28,000

13.07.2020

Monday



<http://www.sriramsias.com>

Indians work for the Kuwaiti government in various jobs such as nurses, engineers in national oil companies, and a few as scientists. They have contributed to the development of Kuwait and this **scarce and valuable human resource** would be unavailable in case of the implementation of the proposals.

- Nationalisation of government jobs can be achieved to a significant extent, but the **private sector will continue to draw the majority of its workforce from abroad**. Given that the costs associated with hiring a citizen are too prohibitive for the private sector, they might consider leaving the country if it is forced to employ citizens only.