



The importance of emigrants

For India to increase remittances' contribution to GDP, it doesn't need more workers but skilling and better management.

Indian Diaspora: Semi-skilled workers to CEOs

1. Though the phenomenon of Indian-origin executives becoming CEOs of top U.S. companies highlights the contribution of Indian talent to the U.S. economy, the role played by Indian semi-skilled migrant labour in the global economy is no less illustrious.
2. According to the Ministry of External Affairs, there are over 13.4 million Non-Resident Indians worldwide. Of them, 64% live in the Gulf Cooperation Council (GCC) countries, the highest being in the United Arab Emirates, followed by Saudi Arabia and Kuwait.
3. Almost 90% of the Indian migrants who live in GCC countries are low- and semi-skilled workers, as per International Labour Organization estimates. Other significant countries of destination for overseas Indians are the U.S., the U.K., Australia, and Canada.

High remittances

1. Every year, about 2.5 million workers from India move to different parts of the world on employment visas. Besides being involved in the nation-building of their destination countries, Indian migrant workers also contribute to the homeland's socio-economic development, through remittances.
2. According to a report by the National Statistical Office, urban and rural households receiving remittances (both international and domestic) have approximately 23% and 8% better financial capacity, respectively, than non-remittance-receiving households.
3. As per a World Bank Group report (2021), annual remittances transferred to India are estimated to be \$87 billion, which is the highest in the world, followed by China (\$53 billion).
4. In 2021, remittances transferred to India had seen an increase of 4.6% compared to 2020. Remittances in India have been substantially higher than even Foreign Direct Investment (FDI) and the flow of remittances is much less fluctuating than that of FDI.

10.05.2022

Tuesday



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5. Still, remittances' contribution of 3% in GDP is lower than that of countries such as Nepal (24.8%), Pakistan (12.6%), Sri Lanka (8.3%) and Bangladesh (6.5%), as per a World Bank report.

Labour Migration:

1. Besides being a win-win situation for both the destination and source country, labour migration is a good hedging strategy against unsystematic risks for any economy.
2. Human capital should also be invested in a diversified portfolio akin to financial capital.
3. For many countries, remittances have been of vital support to the domestic economy after a shock. For example, after the 2015 earthquake in Nepal, overseas Nepalese increased remittances to an estimated 30% of GDP.

Increasing remittances:

1. India can increase remittances to say 10% of GDP. If it follows the Philippines' model of promoting labour mobility. The number of migrant workers need not go up for remittances to increase if the skill sets of workers are improved.
2. Both the cost of recruitment of such workers and the cost of sending remittances back to India should come down. The safety and well-being of migrant labour are of top priority for the government.
3. Reducing informal/undocumented migration and formalising all remittances are being given due focus. Recruitment agencies should also be regulated by leveraging information technology for ensuring the protection of migrant workers leaving India.
4. An integrated grievance redressal portal, 'Madad', was launched by the government in 2015. Of the approximately 78,000 grievances registered so far by the Indian migrants, more than 95% have been resolved.

Provisions of the Emigration Bill

1. The Indian government proposed a new Emigration Bill in 2021 which aims to integrate emigration management and streamline the welfare of emigrant workers.

10.05.2022

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2. It proposes to modify the system of Emigration Check Required (ECR) category of workers applying for migration to 18 notified countries. The ECR category mainly comprises those who have not passed Class 10 and face the challenge of risky informal emigration and subsequent hardships abroad.
3. The Bill makes it mandatory for all categories of workers to register before departure to any country in the world to ensure better protection for them, support and safeguard in case of vulnerabilities.
4. The proposed Emigration Management Authority will be the overarching authority to provide policy guidance.
5. Provisions of the Bill such as registration of all emigrants, skill upgradation and training, and pre-departure orientation will enhance protection measures.
6. Besides workers, as about 0.5 million students also migrate for education from India every year, the Bill also covers such students. This will provide a comprehensive data set for the efficient management of Indian migrants.
7. The Skilling of migrant workers has the potential to boost the domestic economy and low-cost interventions such as foreign language training can be of great help for such workers.