



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

Migrant Labour Exploitation: The Dark Side Of Indian Employment Overseas.

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Abstract

India is a leading source of migrant labor, with over 18 million Indian workers employed abroad (World Bank, 2022). While international employment provides economic benefits, Indian workers often experience wage exploitation, contract fraud, poor working conditions, and lack of legal protection. This paper explores labor migration trends, types of exploitation, and policy recommendations, supported by data tables, charts, and case studies.

Keywords: Indian migrant workers, wage exploitation, international labor, Gulf countries, remittances, labor rights

Introduction

India has become one of the largest exporters of migrant labor globally, with millions of Indian workers engaged in wage employment in foreign countries. As of 2022, over 18 million Indian nationals were working abroad, with the Gulf Cooperation Council (GCC) countries, Southeast Asia, and Western nations being major destinations for Indian migrant workers (World Bank, 2022). Migration for employment has proven to be economically beneficial for India, especially through remittances, which in 2022 amounted to a record \$100 billion, making India the largest remittance-receiving country in the world. These remittances play a vital role in alleviating poverty, enhancing livelihoods, and promoting socio-economic development in rural India (Ratha & Mohapatra, 2022).

However, despite the economic benefits, the working conditions of Indian migrant workers abroad are often marred by various forms of exploitation. Many face wage theft, contract fraud, unsafe working environments, and lack of legal protections, especially in labor-intensive sectors like construction, domestic work, and manufacturing. This exploitation is prevalent in both the Gulf countries, where many low-skilled workers are employed, and in other regions where skilled Indian workers migrate.

This paper aims to examine the trends in Indian labor migration, the different forms of exploitation faced by migrant workers, and the existing policies aimed at protecting workers' rights. By analyzing these issues through statistical data, case studies, and a review of relevant literature, this research will highlight the challenges faced by Indian migrant workers and provide policy recommendations to improve their working conditions and safeguard their rights. This research aims to:

1. Examine Indian labor migration trends
2. Analyze different forms of exploitation
3. Provide policy recommendations to protect workers' rights

1.1. Research Methodology

The research methodology for this paper is based on secondary data sources, which include both

quantitative and qualitative data from various published reports, articles, databases, and official documents. The aim is to synthesize existing information on Indian migrant workers, their wage exploitation, and the impact of such exploitation on their lives and economic well-being. The methodology is described in detail below:

1.2. Research Design

This study employs a descriptive research design, which is used to explore the trends, patterns, and forms of wage exploitation experienced by Indian migrant workers in foreign countries. The focus is on understanding the socio-economic consequences of migration and the policies related to the protection of migrant workers' rights. The research aims to analyze secondary data, with a particular emphasis on labor migration reports, remittance statistics, government publications, and academic studies.

1.3. Data Collection

Secondary data was collected from the following sources:

- ✓ **Government Reports and Publications:** Data on the number of Indian migrant workers, their wage levels, remittance inflows, and migration patterns was obtained from sources such as the Ministry of External Affairs (MEA, 2023) and the International Labour Organization (ILO, 2021). These official reports provided statistical data and insights into the scope and trends of migration and the exploitation of migrant workers.
- ✓ **World Bank Reports:** Reports such as Ratha and Mohapatra (2022) and World Bank (2022) were used to understand the global trends in remittances and the economic impact of migration on both the migrant workers and their home country, India.
- ✓ **Peer-Reviewed Academic Articles:** Articles published in journals such as the International Migration Review (Baker, 2013), South Asian Journal of Labour Studies (D'souza, 2014), and others provided qualitative insights into the experiences of exploited Indian migrant workers, particularly focusing on human trafficking, wage theft, and contract fraud.
- ✓ **Case Studies:** Data from case studies documented by non-governmental organizations (NGOs) and advocacy groups, as well as reports from Indian embassies, were used to analyze specific instances of exploitation in different countries.
- ✓ **International Organizations:** Reports from the International Labour Organization (ILO) and United Nations (UN) provided additional insights into the international legal frameworks, labor migration policies, and protective measures aimed at safeguarding the rights of migrant workers.

1.4. Data Analysis

The data collected was analyzed using a qualitative and quantitative approach:

Quantitative Analysis: Data such as the number of migrant workers, wage rates, remittance inflows, and exploitation cases were compiled into tables and charts. Descriptive statistics were used to summarize the findings and identify trends and patterns related to the geographic distribution of migrant workers and the forms of exploitation they face.

Qualitative Analysis: Case studies and reports detailing the experiences of exploited migrant workers were analyzed to identify common themes such as wage theft, unsafe working conditions, and inadequate legal protections. The qualitative analysis also involved reviewing policy documents to assess the effectiveness of government and international interventions.

1.5. Limitations of the Study

Since the study is based on secondary data, the following limitations were noted:

Data Availability and Accuracy: The accuracy of secondary data is dependent on the reliability of the sources. Some data, particularly related to exploitation cases, may be underreported due to fear of deportation or lack of reporting mechanisms.

Geographical Limitations: The study focuses on the countries where Indian migrant workers are most prevalent, such as Gulf countries, the USA, the UK, and Southeast Asia. It may not fully capture the experiences of migrant workers in other regions.

Changing Legal and Political Context: Labor migration policies and legal protections for migrant workers are subject to change, and the data used in this study may not fully reflect the most recent legal reforms or shifts in policy.

1.6. A review on Wage Employment for Indians in Foreign Countries and Their Exploitation

1.6.1. Early Studies on Migration and Employment

The migration of Indian workers to foreign countries, particularly in the Gulf region, began to gain scholarly attention in the 1970s and 1980s. Early studies primarily focused on the push and pull factors driving labor migration. Researchers such as Raghavan (1981) noted that Indian labor migration was driven by the high demand for workers in the Middle East due to economic growth in oil-producing countries, alongside poor economic conditions in India.

1.6.2. Economic Contributions of Indian Migrants

In the 1990s, the focus shifted towards the economic impact of migration. Researchers like Sundaram (1996) discussed how migrant workers contributed significantly to the economies of Gulf countries and India, especially through remittances. At the same time, scholars like Sahoo (1997) began exploring how remittances played a crucial role in reducing poverty in rural India, even as the migrant workers themselves faced exploitation.

1.6.3. Early Work on Exploitation and Vulnerability

In the early 2000s, scholars began to focus on the vulnerability and exploitation of Indian migrant workers. Srivastava and Kumar (2004) highlighted issues such as low wages, physical abuse, and unsafe working conditions faced by Indian workers, particularly in the Gulf states. This period also saw an increase in literature on the legal and institutional gaps in protecting migrant laborers.

1.6.4. Legal Protection and Human Rights (2005-2010)

From 2005 to 2010, the literature increasingly discussed legal protections for Indian migrant workers. The Emigration Act and the Indian Government's welfare schemes for workers were analyzed by scholars such as Kaur (2007), who critiqued their ineffectiveness in ensuring workers' rights in foreign countries. Researchers like Sundaram (2008) also explored the role of NGOs and activists in helping migrant workers seek justice against exploitation.

1.6.5. Human Trafficking and Modern Exploitation (2011-2015)

The focus of research in the 2011-2015 period expanded to include human trafficking and modern-day forms of exploitation. Baker (2013) and D'souza (2014) highlighted the role of illegal recruitment agents, deceptive contracts, and human trafficking networks in the exploitation of Indian workers, especially in the Middle East. Scholars began to emphasize gender-based violence and abuses faced by female domestic workers.

1.6.6. Economic and Social Impact (2016-2020)

From 2016 to 2020, there was a growing focus on the economic and social impact of Indian labor migration, along with the exploitation issues. Sahoo and Pradhan (2016) analyzed the role of remittances and the socio-economic transformation of rural India, despite the ongoing exploitation. The literature also increasingly recognized the role of employers in creating exploitative conditions and the lack of accountability for their actions.

1.6.7. Recent Developments and Advocacy (2021-Present)

In recent years, research has focused on the role of **advocacy groups** and **global movements** in improving the working conditions of Indian migrant workers. Scholars such as **Ratha (2019)** and **Sharma (2020)** have emphasized the importance of **international cooperation**, **legal reforms**, and **grassroots activism** in combating exploitation. Additionally, the **COVID-19 pandemic** has further highlighted the **vulnerabilities** of migrant workers, who often lack access to healthcare and social security.

2. Migration Trends and Wage Employment of Indians Abroad

2.1 Indian Migrant Workforce: Key Statistics

Region	Estimated Indian Workforce	Key Sectors
Gulf Cooperation Council (GCC)	8 million	Construction, domestic work, hospitality
Southeast Asia (Malaysia, Singapore)	2.5 million	Manufacturing, plantations, security
North America (USA, Canada)	1.2 million	IT, trucking, healthcare
Europe (UK, Germany, Italy)	1 million	Agriculture, domestic work, retail
Other Regions (Australia, Africa)	2 million	Mining, services, education

Source: Ministry of External Affairs (MEA), 2023

2.2 Economic Impact of Migration

- **India received \$100 billion in remittances in 2022**, making it the **world’s largest recipient** (World Bank, 2022).
- Remittances **support rural households**, reducing poverty and unemployment.
- Migrant labor **fills gaps in international job markets**, especially in the **construction and service sectors**.

2.2.1 Wage Differences and Remittance Contributions by Country

The following table shows the **average monthly wage of Indian workers in different countries** and the **total remittance contribution** from each region.

Table 2.2: Indian Migrant Workers - Wage and Remittance Data (2023)

Country/Region	Average Monthly Wage (USD)	Remittance Contribution to India (Billion USD)	Major Work Sectors
UAE	\$500 - \$1,200	\$20	Construction, retail, hospitality
Saudi Arabia	\$400 - \$1,100	\$16	Domestic work, security, oil & gas
Qatar	\$450 - \$1,250	\$9	Stadium construction, hospitality

USA	\$3,500 - \$6,000	\$12	IT, healthcare, trucking
UK	\$2,500 - \$4,500	\$6	Nursing, retail, agriculture
Malaysia	\$300 - \$800	\$5	Factory work, plantations
Singapore	\$700 - \$1,500	\$7	Security, cleaning, construction

Sources: World Bank (2023), Ministry of External Affairs (MEA, 2023)

Insights:

- Gulf countries (UAE, Saudi Arabia, Qatar) have the largest Indian workforce but offer lower wages.
- Developed countries (USA, UK, Canada) offer higher wages but employ fewer low- skilled workers.
- Malaysia and Singapore offer low wages but attract Indian labor for factories and plantations.

3. Forms of Exploitation Faced by Indian Workers Abroad

3.1. Exploitation Rates by Country

Many Indian workers face **wage theft, contract fraud, and harsh working conditions** in foreign countries. The table below presents **reported cases of exploitation** per country.

Table 3.1: Reported Labor Exploitation Cases of Indian Workers (2023)

Country	Cases of Wage Theft	Cases of Contract Fraud	Health & Safety Violations
UAE	15,000	8,500	6,000
Saudi Arabia	12,000	9,000	7,200
Qatar	10,500	6,800	5,400
Malaysia	6,500	5,200	4,500
Singapore	4,800	3,200	3,000
USA	1,500	1,200	900
UK	2,000	1,800	1,100

Sources: ILO (2023), Indian Embassy Reports (2023)

Key Findings:

- The highest number of labor exploitation cases are reported in Gulf countries (UAE, Saudi, Qatar).
- Malaysia and Singapore also have a high number of contract fraud cases.
- USA and UK have fewer cases but still report exploitation in low-skilled sectors (e.g., trucking, caregiving).

Case Study: Wage Theft in Qatar (2023 FIFA World Cup)

- **Background:** Thousands of Indian workers were recruited for **stadium construction** in Qatar.
- **Issue:** Many workers reported **wage theft, forced overtime, and lack of compensation** for workplace injuries.
- **Outcome:** After international pressure, Qatar promised **labor reforms**, but many workers

never received unpaid wages.

3.2 Wage Exploitation and Contract Fraud

- **Delayed or unpaid salaries:** Over **30% of Indian workers in Gulf countries** report wage theft (ILO, 2021).
- **Contract switching:** Employers frequently **reduce salaries** upon arrival.

3.3 Case Study: Wage Theft in the UAE

Case: Ravi Kumar (Construction Worker, UAE, 2021)

- **Promised salary:** 1,500 AED per month (~₹30,000)
- **Actual salary:** 800 AED (~₹16,000) with **no overtime pay**
- **Employer confiscated his passport**, preventing him from leaving.
- After 8 months of non-payment, he returned to India **without receiving wages**.

3.4 Harsh Working and Living Conditions

Condition	Examples
Extreme temperatures	Construction workers in Qatar work in 50°C heat with minimal breaks.
Poor accommodation	Labor camps in Saudi Arabia house 8–10 workers per room with poor sanitation.
Health risks	Migrant workers in Malaysia face exposure to hazardous chemicals in factories.

4. Causes of Exploitation

4.1 Weak Legal Protections in Host Countries

- **Lack of minimum wage laws** for migrant workers in Gulf countries.
- **Limited access to legal aid**, preventing workers from challenging abuse.

4.2 Exploitative Recruitment Practices

Issue	Impact on Workers
High recruitment fees (₹1-2 lakh)	Leads to debt bondage
False job promises	Migrants forced into lower-paying jobs
Contract switching	Salaries reduced upon arrival

4.3 Case Study: Debt Bondage in Malaysia

Case: Sunita Devi (Domestic Worker, Malaysia, 2022)

- Paid ₹1.5 lakh to a recruiter for a **high-paying job** in Malaysia.
- Upon arrival, she was **forced to work 16 hours/day** without extra pay.
- Employer **withheld her wages** for six months, claiming it covered “recruitment costs.”
- She was rescued by a local NGO after **reporting abuse to the Indian embassy**.

5. Existing Policies Addressing Labor Rights of Indian Migrant Workers

To combat exploitation, both India and foreign governments have introduced policies aimed at protecting migrant workers' rights. Below is an overview of key policies from India, Gulf countries, and Western nations.

5.1 Indian Government Policies for Migrant Workers

Policy/Initiative	Objective	Key Features
Pravasi Bharatiya Bima Yojana (PBBY)	Insurance for Indian workers abroad	Covers death, disability, and medical expenses
E-Migrate System	Protects workers from fraudulent recruiters	Online recruitment verification; applies to 18 countries
ICWF (Indian Community Welfare Fund)	Emergency aid for Indian workers	Provides financial/legal help in cases of exploitation
MADAD Portal	Grievance redressal for migrant workers	Online complaint system connected to Indian embassies
Skill India for Migration	Prepares workers for international jobs	Provides skill certification for better wages abroad

Impact & Challenges

- ✓ Increased transparency in recruitment.
- ✓ Quick financial aid for distressed workers.
- ✗ Limited enforcement power in foreign countries.
- ✗ Many workers unaware of these policies.

5.2 Gulf Countries' Labor Reforms (UAE, Saudi Arabia, Qatar, Oman, Kuwait, Bahrain)

Country	Key Labor Reforms	Effectiveness
UAE	Replaced Kafala (sponsorship) system with labor contracts	✓ Improved job mobility but wage issues remain
Saudi Arabia	Introduced a wage protection system (WPS)	✓ Some wage theft cases reduced, but enforcement is weak
Qatar	Abolished exit permits for most workers	✓ Workers can change jobs without employer permission
Kuwait	Increased minimum wages for domestic workers	✗ Many employers still underpay workers
Oman & Bahrain	Allowed migrant workers to switch jobs more easily	✓ Reduced forced labor, but legal loopholes remain

Challenges

- ✗Employers still withhold wages & passports illegally.
- ✗Legal loopholes allow exploitation through subcontracting.
- ✗Many workers fear reporting abuse due to deportation threats.

5.3 Western Nations’ Policies (USA, UK, Canada, EU)

Country/Region	Policy	Protection for Indian Workers
USA	H-2B Visa Wage Protection	Mandates fair wages for low-skilled workers
UK	Seasonal Worker Visa Rules	Prevents wage theft for Indian agricultural workers
Canada	Migrant Worker Protection Act	Bans unethical recruiters and strengthens worker rights
European Union	Blue Card System	Ensures higher wages for skilled migrant workers

Challenges

- ✗Some Indian workers in trucking, caregiving, and agriculture still face wage exploitation.
- ✗Undocumented workers in Europe and the USA are highly vulnerable.

6. Conclusion

While migrant employment is crucial for India’s economy, exploitation remains a major issue. Stronger policies, better enforcement, and international cooperation are essential to ensuring fair wages, dignity, and safety for Indian workers abroad.

6.1. Key Findings

- India is the largest remittance-receiving country (\$100 billion in 2022), driven by migrant labor.
- Gulf nations (UAE, Saudi Arabia, Qatar) employ the most Indian workers but offer low wages and harsh conditions.
- Western nations (USA, UK, Canada) provide higher wages but still have cases of worker exploitation in low-skilled sectors.
- Exploitation is highest in the Gulf, where wage theft, contract fraud, and poor living conditions are common.

6.2. Statistical Highlights

- Indian workers in the Gulf earn between \$400 - \$1,200/month, while in the USA/UK, they earn \$2,500 - \$6,000/month.
- Over 80,000 exploitation cases were reported in 2023, mostly in the Gulf and Southeast Asia.
- Future migration trends show continued growth in the Gulf, while skilled migration to Western countries is rising.

6.3. Policy Impact & Challenges

- India’s protections (E-Migrate, Pravasi Bharatiya Bima Yojana) help but lack enforcement power abroad.
- Gulf labor reforms (e.g., Qatar ending exit permits) show progress but still have loopholes.
- Western nations have strong labor protections but often exclude non-citizen migrants.

6.4. Key Recommendations

- ✓ Expand E-Migrate to cover all Indian workers, including undocumented migrants.
- ✓ Mandate wage protection contracts for Gulf workers before departure.
- ✓ Increase legal assistance through Indian embassies in high-risk countries.
- ✓ Gulf countries must fully abolish the Kafala system and penalize abusive employers.
- ✓ Western nations should extend worker protections to non-citizens, including Indian laborers.
- ✓ Global partnerships (India-GCC-EU) can enforce ethical recruitment practices.

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