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Investigating the financial challenges of gulf migrants and their left-behind families amidst COVID-19 and wage loss

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Abstract

This study examines the profound impact of the COVID-19 pandemic on migrant workers and their left-behind families, focusing on the financial and psychological hardships they face. Analysis of data reveals that job losses and wage reductions, particularly in informal sectors, have resulted in significant economic-distress for migrant households. Remittances, which serve as a lifeline for these families, have declined due to non-payment of salaries and wage theft. Consequently, left-behind families experience reduced household consumption and resort to borrowing, leading to increased financial strain. The psychological toll is equally severe, with anxiety, depression, and feelings of helplessness prevalent among both migrants and their families. Therefore, this study underscores the urgent need for interventions to alleviate the financial burdens faced by migrants, ensure access to social assistance systems, and provide mental health support for both migrants and their left-behind-families.

Keywords: COVID-19, Indian migrants, wage loss, Left-behing families, gulf

Introduction

The India-Gulf Corridor represents a prominent migratory route, ranking as the worlds second-largest in terms of scale and significance. According to the Ministry of External Affairs (GOI), in 2019, the global Indian diaspora consisted of 32 million individuals residing abroad, who collectively remitted \$83.3 billion during the same year. Notably, approximately 6.5 million Indians, accounting for 20% of the total Indian diaspora worldwide, are employed within the Gulf Cooperation Council (GCC) countries. Among these nations, the United Arab Emirates (UAE) hosts around 3.4 million Indian workers, followed by Saudi Arabia with 2.5 million and Kuwait with 1 million. These Gulf countries serve as key destinations for Indian laborers, particularly from rural areas of states such as Uttar Pradesh, Kerala, Bihar, Tamil Nadu, Karnataka, and West Bengal, where individuals predominantly belong to the lower socioeconomic strata.

Due to the temporary nature of their employment in the Gulf, a significant number of young married men leave their families behind, including their wives, children, and elderly parents. Consequently, the households of these migrant workers heavily rely on the income generated by their family members working overseas. Remittances constitute approximately 80% to 90% of these households' total income, which is crucial for supporting various aspects of the family's well-being. These remittances are often allocated towards essentials such as food, healthcare expenses, socio-economic advancement, and better educational opportunities for their children. Thus, the remittances serve as the primary lifeline and sole dependence for each member of the left-behind family.

Unfortunately, the COVID-19 pandemic has had detrimental effects on low-skilled and semi-skilled migrant workers, which have subsequently impacted their left-behind families and compromised their social security. Migrant workers constitute a highly vulnerable group, residing in overcrowded labor camps with limited access to adequate healthcare services. The current health crisis has exacerbated these challenges, leading to reductions in work hours, decreased wages, the closure of small-scale companies, job losses, and an increased risk of COVID-19 exposure. Furthermore, migrant workers have been excluded from social protection systems, leaving them without income guarantees, unemployment assistance, or viable alternatives for seeking new employment. Their mobility within or across borders has been restricted, and limited financial resources hinder their ability to cope with hardships effectively.

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Methodology

The present research employs a snowball sampling technique to gather data from Gulf migrant workers and their families residing in various states of India. Telephonic interviews were conducted to delve into the profound impact of the pandemic on both the Gulf migrants and their families, particularly their wives. The interviews were carried out between April 2021 and May 2021, aiming to gain insights into the challenges faced by these individuals during the COVID-19 crisis. Through this methodology, the study seeks to provide a comprehensive understanding of the experiences and hardships encountered by Gulf migrants and their families as a result of the pandemic.

Navigating Financial Hardships: Migrant Workers and LBFs

Remittances play a vital role in the financial well-being of many Indian families and the overall economy of the country. However, the combination of the COVID-19 crisis and the decline in crude oil prices resulted in a sharp twenty-percent decline in remittances in 2020. This downturn has exposed millions of migrant workers in Gulf nations to significant financial hardship. The remittances sent to India totalled \$83 billion, reflecting a 0.2 percent decrease compared to the previous year. The decline in remittances can be attributed to job losses and wage theft, especially prevalent in informal sectors such as substantial construction sites, retail and transportation sectors, and the healthcare industry. Disturbingly, a majority of workers who were laid off in 2020 did not receive their entitled end-of-service benefits, effectively experiencing wage theft. During interviews with returnees, many migrants acknowledged being victims of wage theft in various forms. Additionally, the COVID-19 lockdown has further weakened the financial stability of numerous small companies and businesses, exacerbating the financial distress faced by Left behind Families (LBF). One respondent stated, "I worked without salary for 4 months before resigning and returning."

Migrant workers endure significant challenges as they lack adequate safety nets when they lose their jobs, face total wage loss, or become stranded in their destination countries. Given their already precarious and temporary employment, low-income migrants rarely have access to social assistance systems. The harsh economic-climate resulting from the COVID-19 pandemic has made it significantly difficult for them to find alternative work, rendering them vulnerable to exploitation and economic distress. These economic hardships directly impact remittance-dependent households in rural India, which is a growing concern, particularly for women who manage the finances of these households. A wife of a migrant worker expressed, "my husband, who works in Qatar, faced a challenging situation during COVID-19. Despite securing the company he joined continuously delayed his salary payment. As a result, my family and I were forced to endure months of waiting before receiving any money." This sentiment is echoed by a migrant worker from Bihar working as an electrician in Gulf country who shared, "For the last four years, I have not been able to visit my family. Many workers were terminated by my company, and many others are still experiencing salary reductions. I have lost my job and cannot even send a thousand rupees to my family for medical emergencies and food. I am filled with hopelessness and deep concern for my children and parents."

The decline in remittances resulting from the COVID-19 crisis and wage theft has inflicted significant financial hardships on Indian migrant workers in the Gulf. Their vulnerability is further exacerbated by the absence of safety nets and limited access to social assistance systems. The combination of precarious employment and the harsh economic climate has made it challenging for them to secure alternative work, leaving them susceptible to exploitation and enduring economic distress. These circumstances directly impact remittance-dependent households in rural India, with women who manage household finances facing heightened concerns. Urgent attention and targeted interventions are needed to alleviate the financial burdens faced by these vulnerable migrant populations during and beyond times of crisis.

Struggles of Employment Disruptions: Job Losses and Wage Reductions on LBF

During crises, migrant populations in destination countries serve as safety-valves to mitigate negative consequences, as observed in past events such as the 1973 oil crisis and financial crises in 1997, 1999, and 2009-10, where migrants were disproportionately affected compared to the native population. Similarly, in response to the COVID-19, destination countries exerted pressure on migrants and sending governments to facilitate the return & repatriation of their citizens. The Vande Bharat Mission, overseen by the MEA, GOI, facilitated the repatriation of millions of Indian nationals from various countries, with a significant portion originating from Gulf countries such as the UAE and Saudi Arabia. Kerala witnessed a substantial influx of returning migrants, totaling approximately 1.4 million, followed by Tamil Nadu, Uttar Pradesh, and Bihar, which also received significant numbers of returnees. Data from the Department of Non-Residential Kerala Affairs (NORKA) indicated that a considerable number of Keralites reported job losses, while others cited visa expirations as their reasons for returning during the specified period.

Moreover, many Indian migrant-returnees reported non-payment of salaries, wrongful termination of employment, and false promises of wage reimbursement and other benefits during the pandemic period, with wage theft being a prominent factor influencing their decision to return. A respondent stated, "I requested for annual vacation, but my company asked me to resign and leave."

In addition to the challenges faced by migrant workers, LBF also experience difficulties during crises as they rely entirely or partially on remittances to meet their daily needs. Even though these families may engage in other income-generating-activities like agriculture, remittances serve as crucial capital for them. Without the availability of remittances, education for their children and healthcare-services for their family-members are significantly compromised. A returnee from Kerala expressed their experience during an interview, "I returned to the UAE with the promise of receiving my unpaid salary from the company; since then, I have been waiting for assurance of payment." The migrant-worker further emphasized, "I had to sell my piece of land back home to arrange the necessary documentation for my return to the Gulf to earn money for my family, but the company I worked for failed to reimburse my hard-earned wages. My family and I, still waiting to receive some amount of money so that we can make progress." Another migrant returnee from Saudi

Arabia to Siwan (Bihar) shared, "I joined this company 15 months ago. During the lockdown, our company quietly started terminating workers without prior notice, and I was one of them."

Enduring Psychological Strain

The inability to regularly transfer money by migrants during the COVID-19 pandemic has led to economic distress and psychological impacts on the well-being of their families. To overcome the challenges posed by the situation, families employ various coping-strategies. The lack of income forces migrant households to resort to borrowing money and reducing household consumption in order to meet immediate needs. While borrowing provides short-term relief, it also places significant stress on the migrant family. The financial responsibility of supporting left-behind-family members increases the pressure on migrant workers to repay their debts, leading to anxiety and contributing to physical and mental health issues, including depression.

Interviews with migrant wives shed light on the experiences faced by these families. A wife, living with her four children, explained that her husband could not transfer money due to the expiration of his work permit, which was not being renewed by the company. The inability to pay school fees resulted in her two children being unable to attend school. Wives also expressed anxiety and fear due to their husbands living in poor and cramped conditions, increasing the risk of contracting the virus. Another wife from Bihar recounted her struggles, "having to borrow money to cover medical bills and expenses after her mother-in-law fell ill and passed away during the pandemic". The uncertain job security in the host country and worries about the future further contribute to the anxiety and helplessness experienced by non-migrating families.

The return of migrants, both voluntary and involuntary, has intensified the trauma and anxiety experienced by them and their left-behind families. Those who have returned face even greater challenges in finding new work in the Gulf, while uncertainty looms over their future, whether they returned with some savings or empty-handed. The current situation has brought forth numerous problems for non-migrating-families and has left them worried about the prospects ahead. The everyday lives of these women are marked by anxiety and a sense of helplessness, as they grapple with the struggles faced by their husbands and the uncertain circumstances they find themselves in.

Conclusion

The data and narratives presented highlight the profound impact of the COVID-19 on migrant workers and their families, both economically and psychologically. The inability to transfer money regularly has resulted in significant economic distress, forcing families to adopt coping strategies such as borrowing and reducing household consumption. While these measures provide short-term relief, they also place immense stress on migrant workers, as they bear the financial responsibility of supporting their left-behind-family members. This burden, coupled with the anxiety caused by job insecurity, repayment pressures, and the fear of contracting the virus, has led to adverse physical and mental health outcomes, including depression. The experiences of migrant wives further underscore the challenges faced by families during this crisis. Limited access to financial resources has led to the inability to pay

school fees, borrow money for medical expenses, and provide for the daily needs of their families. The uncertain future and the struggle to find new employment upon return have added to their anxiety and feelings of helplessness. Moreover, non-migrating-wives also grapple with concerns about their husbands' job security in the host country, exacerbating their worries about the future. Urgent attention and support are necessary to alleviate their financial burdens, ensure access to social assistance systems, and provide mental health support. Additionally, policies and measures should be implemented to enhance job security and facilitate the smooth return and reintegration of migrants into their home communities. By addressing these challenges, we can mitigate the adverse effects of crises on migrant populations and promote the well-being of both migrants and their left-behind-families.

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