

Greater Home Coming Ahead for Kerala

Mansoor P (mansoorpaleri@gmail.com)

Paleri House,
Thythottam,
Kondotty Post,
Malappuram Dt,
Kerala, 673638

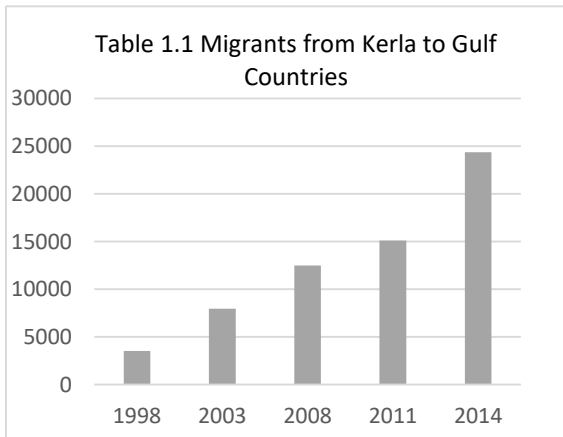
Mob: 9746290703, 9496995703

Abstract: *The Saudi Arabian Government has introduced and implemented a series of labour policy changes recently with a view to provide more employment opportunities to the youths of the nations and hence to put an end to the persistent unemployment issues which will bring a far reaching consequences upon many countries of the world including India. The article try to address these policy changes and what can be the effect of these policies upon Kerala economy. As Indians occuppies top position in the Saudi labour market, the policy changes will be crucial to India. The Keralites are very familiar with the Gulf labour market since 1970s and hence developed the renowned Kerala model of development. The contribution of Keralites in Gulf countries to the development of state has been increasing over the years. The new labour policy changes of Saudi Government will be causing a mass quitting of job by Keralites and this will result a very crucial changes upon the Kerala economy.*

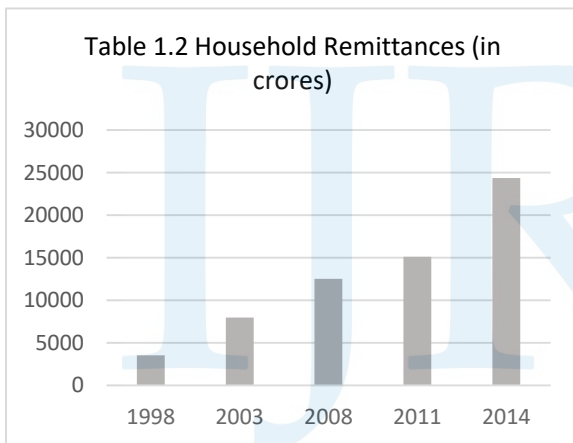
Key words: Nitakath, Saudisation, Gulf Migration, Gulf Returning, Saudi Labour Policy, Kerala Migration to Gulf Countries.

The recent changes in the labour policy of Saudi government is going to bring drastic changes in the life pattern of Keralites living in Gulf countries and also upon those who are depending them. As we all know through the renowned 'Kerala model development', the Keralites are to get such a big blow through these policy changes. One of the prominent reason for social and economic progress in Kerala is the impact of Gulf migration and the money earned at this desert. When Saudi Government implements the new policy in the name of Nitakath, the entire living pattern of Keralites are going to affect.

Gulf has been a big friend of Kerala ever since 1970s. They are feeding and providing livelihood to many of Keralites. The trend has been continuing over the years. Around 24 lakh Malayalees are depending Gulf countries for their employment by 2014 and which just half of it was by the end of 1990s. The household remittances from Gulf countries during 1998 was Rs.3530 crores and which has increased many fold to Rs.24374 crores by the year 2014¹. All these were followed by a cordial employment policy from the part of Saudi Government with Indian Government. When the entire labour policy make a swift turn from usual pattern, these numbers can go any extent to downward and the Keralites need to think on how long the Gulf can be a friend to them.



Source: Kerala Migration Survey 2014



Source: Kerala Migration Survey 2014

Major Policy Changes

The Saudi Arabian Ministry of Labour issued a series of labour policy changes by April 2016 which has been the area of concern of this article. In order to have a better result, all these policies were introduced and implemented by the April 2016 itself. This will be directly affecting the foreign workers in Saudi who is the majority in the Saudi labour market counting more than 10 million. As India occupies top position in foreign labour market in Saudi, the blow will be harder to India. The crux of these policies are nothing but the betterment of Saudi citizens. The major problem facing Saudi government is the persistent unemployment which has been a major obstacle over the years. As there is an overwhelming presence of foreigners in the labour market, the Saudi government wanted to reduce the role of non-Saudi labours and thus to ensure minimum unemployment level.

Following are the major labour policy changes implemented by Saudi Arabian Labour Ministry recently²:

1. The Labor Law subjects incidental and temporary contracts only to some provisions governing regular full-time contracts.

2. The Labor Law requires employers to have in place an internal work policy governing all work-related matters. This policy must set out the rights and obligations of employees, including the disciplinary sanctions applicable for breach of their obligations.
3. The New Implementing Regulations now require employers to keep various registers on site like register listing all workers, their job titles, ages, nationalities etc.
4. The New Implementing Regulations prohibit employers from retaining the passports of their workers, except at their own request and subject to the signing of a passport receipt form in Arabic and in the worker's language.
5. The Ministry of Labor committed in the New Implementing Regulations to cooperate with the Human Resources Development Fund in order to improve the employability of Saudi nationals.
6. The Labor Law requires employers with 25 or more workers to employ a number of disabled workers equivalent to 4% or more of the total workforce.
7. Employers with 50 workers or more must train a number of Saudi workers equivalent to 12% or more of their total workforce
8. The New Implementing Regulations have listed 18 positions that may only be occupied by Saudi nationals. These includes HR Manager, Liaison Manager, Treasury Officer, etc.
9. The New Implementing Regulations enumerate cases where employers would be allowed to recover from workers the cost of the training they received. These cases include the premature termination of the training program by the worker, the termination by the employer of the employment contract for grave cause prior to the period agreed-upon with the worker, the resignation of the worker without grave cause prior to the period agreed upon with the employer.
10. Female make-up and accessories stores only be employed by Saudi females.
11. Workers engaged in the sale, repair of mobile telephones and mobile telephone accessories consist only of Saudi nationals.
12. The Labor Law and the Residency Law prohibit expatriate workers from working for anyone other than their sponsoring employer.
13. The New Implementing Regulations state that, generally, workers cannot be required to work overtime in excess of 720 hours per year, except with their consent.
14. The New Implementing Regulations require that part-time work contracts be made in writing.

In addition to the above mentioned policies, there are many other revenue generating programmes introduced by the Saudi Government. The government has proposed income tax to the foreign workers which will be in effect soon. Currently no any citizen or foreigner are paying income tax in Saudi, which has been a major reason for being a most preferred employment destination. And beyond that the Saudi government is planning to introduce expat levy in 2017. Companies currently pay a levy of SR200 per month per foreign employee, but only for foreign employees that exceed the number of Saudi employees. This expat levy will be reviewed each year and will be increased accordingly, tempting the companies to recruit more Saudi nationals than employing foreigners. Concessions are made in expat levy for those companies who employ more nationals than foreigners. Not enough, a fees on dependents of non-Saudi workers will be commencing by July 2017, and upon each dependent the foreigners will have to pay SR200 monthly. The next wave of Nitakath is going to be upon drivers where only Saudi citizens will be allowed to drive heavy goods vehicles. All these are torching us towards a situation where Saudi government is compelling us to find our own employment sources and showing us their discontent to be our employment providing friend, and hence to build a better home for the citizens of Saudi Arabia.

After Effects

The living cost in Gulf countries will be resulted in increasing drastically, which may not be affordable to the Keralites in Gulf country as majority of the workers are getting salary of below Saudi Riyal 3000. The recent changes in labour policy has paved many ways to increase the revenue of Saudi Government and which has been implemented by imposing various taxes upon non-Saudi workers and that will be like adding fuel to fire for Keralites in Saudi.

All these policies going to result a mass quitting of workers and the resulting situation will be having a great impact on Kerala economy. Most of the Keralites living in Saudi with their family are preparing to quit their job and want to settle at home. They all are in a winding up mood over there and preparing psychologically and physically to shift to home. They all are waiting for the month of March to come as their children's schools will be ending by March and new academic year will be starting by April. Once they complete on going academic year, they can join the new school at home by June. So during the months of upcoming March, April and May the Gulf countries are going to witness a massive quitting which never had in the history and an ever greater home coming for Kerala.

As I told you already, the money earned in the desert has a very phenomenal role in the overall development of Kerala economy. The Keralites in Gulf countries have contributed much for the progress of the state and which has been a major reason in achieving highest rank by the state in overall social development indicators like health, education etc. So when the Saudi government declares their refusal to accommodate foreigners anymore in their labour market, the Kerala economy will be undoubtedly getting a biggest shock. The Government of Kerala has introduced many schemes and programmes to welcome gulf returnees already. But analysing their effectiveness and the capacity to accommodate such a massive returning will be helpful to understand the current status of the state. The state Government need to introduce productive plans and need to implement them effectively which can be a better way to rehabilitate the returning malayalees.

References

- (1) Zacharia K C and Irudaya Raja S (2015): "*DYNAMICS OF EMIGRATION AND REMITTANCES IN KERALA: Results from the Kerala Migration Survey 2014**", Working paper, Centre for Development Studies, Thiruvananthapuram.
- (2) Dr. Zaid Mahayni and Zina Mahayni, "*Saudi Arabia: The New Implementing Regulations to the Saudi Arabian Labor Law*", 6th May 2016, mondaq, <http://www.mondaq.com/saudi-arabia/x/489208/employee+rights+labour+relations/The+New+Implementing+Regulations+To+The+Saudi+Arabian+Labor+Law>