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# Is Grass Greener on the Other Side? A Glimpse of the Worker Camps in UAE

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July, 2008

## Abstract

More than a million Indians work in UAE, and a third of them lives in worker camps. It is the expectation of higher wages that makes the ‘grass greener’ in UAE. But the wage differential, if it exists, does not seem to compensate for the living conditions in these camps. The article presents a discussion

The November 2006 issue of Human Rights Watch observed: “As the UAE undergoes one of the largest construction booms in the world, at least half a million migrant construction workers are employed there. Behind the glitter and luxury, the experiences of these migrant workers present a much less attractive picture-of wage exploitation, indebtedness to unscrupulous recruiters, and working conditions that are hazardous to the point of being deadly. UAE federal labor law offers a number of protections, but for migrant construction workers these are largely un-enforced.” (HRW, 2006)

Indian expatriates in UAE is about a third of its total population. They may or may not be a part of the “glitter and luxury”, but definitely they are in the middle of the “less attractive picture”. Swallowing pride and learning to survive, Gulf continues to be the hope for a significant number of Indians, and the emigration story continues.

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# 1 Life in Worker Camps

Before the emigrant labourer in UAE finds a bed to sleep and an income to send home, he comes across so many ‘agents’ that at the end of the end of the day he seldom has no clue who’s who in the whole process. Probably his first contact point is the ‘visa agent’ who also doubles up as the local recruiting agent back home. Once he lands in a gulf country he will come across ‘labour suppliers’ who *supply* them at the actual site of work. Their accommodation is probably arranged by what can be called as accommodation agents. They contract with the labour suppliers or the recruiting firm, but not directly with the labourers. The accommodation facility for labourers are often called as ‘labour camps’. There are around 325 such facilities in Sharjah and around 1000 in Dubai. The capacity of these camps in terms of the number of beds can range anything from 50 to 1000.

We surveyed about 62 labour camps spread across UAE and had interviews and group discussions with inmates on their life and times in UAE in general and labour camps in particular. The study was part of a project coordinated by the author in association with Analytiks and Morison Menon<sup>1</sup>, two consultancy firms operating from Kochi and Sharjah, respectively, to find out how the living conditions in worker camps can be improved.

One can find over 200 persons in a camp on an average. They are epitomes of highly congested living conditions, with hardly any space to move or keep the inmates belongings. We could always find long queues behind any common amenities. Imagine, what it would be like if 20 to 25 people have to share a toilet. And there are little facilities for entertainment or passing time. Fortunately, all the camps surveyed was provided with air-conditioning, without which survival is not possible in the scorching day heat. But, it is common to see 10-12 ‘stuffed’ in a single room. If we work-out in terms of space available an inmate might get 12 to 20 sqft, depending on how lucky he is.

And, all this is borne for an average wage rate of 800 dharams per month. It will range from Dh. 400 to 1250 depending on your nationality and, of course, nature of work. The workers are often charged for their accommodation as much as Dh. 200, which is deducted from their wages.

Nationality of the worker is an important factor in the determination of the wage rates. See figure§1<sup>2</sup>. On average, nationals from Arab countries are

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<sup>1</sup>[www.analytiks.co.in](http://www.analytiks.co.in), [www.morisonmenon.com](http://www.morisonmenon.com)

<sup>2</sup>Box plot is a convenient graphical representation for exploratory data analysis. The middle box represents the inter-quartile range or the ‘middle of the data’. The line inside

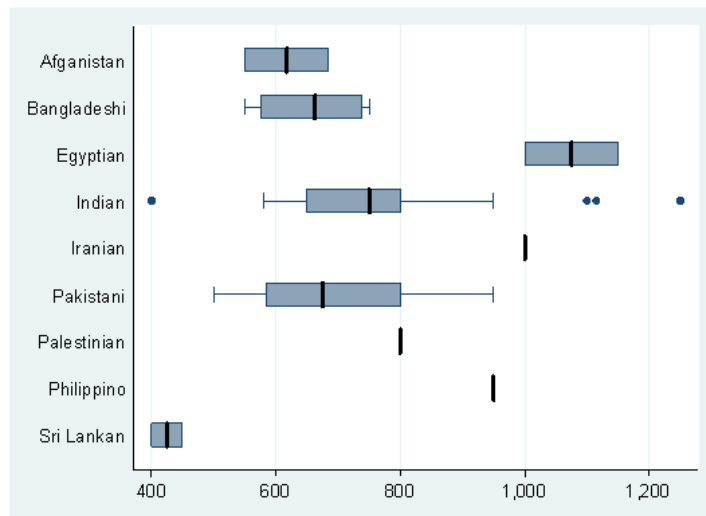


Figure 1: Wage Rates

better paid, than their counterparts from the Indian sub-continent. Of this sub-group, Indians are relatively better-off. It is also true, besides nationality regionality also plays in important role in the case of Indians. We saw huge variability in the wage rates for Pakistani nationals. It is strongly positively skewed, particularly compared to their Indian counterparts. Sri Lankan and Bangladeshi nationals on an average are paid much less.

## 2 Kerala in the Migration Map

Fifty percent of this million Indians in UAE hail from the State of Kerala (Zachariah, Prakash, and Rajan, 2002)! For this and other reasons the Centre for Development Studies, Thiruvananthapuram (CDS) has been a major centre for the research on Gulf Migration. They have been continuously and closely monitoring it since 1998, beginning with Kerala Migration Study, 1998 (KMS) and then South Asia Migration Study, 2003 (SMS) and the latest being Migration Monitoring Study 2007, (MMS). The study covered over ten

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the box represents the median. The whiskers represent the distance to the smallest and the largest observations that are one quartile range from the box. The asterisk are outliers or extreme values, which are 1.5 quartiles away from the end of the Box. For example, we can see 4 outliers for the category Indians.

thousand households spread across the fourteen districts of Kerala.

MMS estimates the emigration rate in Kerala to be about 24.5%. The number of Keralites working abroad will be about ten percent of the workforce in Kerala. Though initially their destination country was Saudi Arabia, it slowly shifted to UAE. About half of these emigrants belonged to the muslim community, with 3 out of every 4 muslim household having a non-resident Keralite (NRK). While the same statistic for the Hindu households is 1 in 5. The emigrants together send remittances equivalent to 26% of the NSDP, amounting to over Rs.8500 crores according to the estimates of MMS. The remittance had significant effects on Keralites in increasing their living standards. The remittances had the effect of increasing annual per capita income of the State by about five thousand rupees, and due to remittances Kerala's per capita income exceeded the national average by 49% above the by the end of the nineties (Kannan and Hari, 2002)

Among the less comprehensible of the effects are the migration's growth effects. Some economists are of the opinion that the growth that took place in Kerala in the nineties emanated from the increase in consumer demand in favor of durable goods, which is mainly triggered by the demand generated by the emigrant households (Pushpangadan, 2003). Further, this has resulted in the generation of certain linkage effects aiding the growth of certain sub-sectors within the service sector. Therefore, it is often argued that the Government should take pro-active steps in man-power marketing strategies and facilitate migration, since it is based on the comparative advantage of the region, which is nothing but the fact that this region has the highest literacy and HDI in the country.

'Gulf Migration Study' (GMS), 2002 by Zachariah et al (Zachariah, Prakash, and Rajan, 2002) is one of the first studies to collect field level data from UAE on migrant workers. Going by GMS reports, Indians account for 42% of the total emigrant workers in UAE. GMS estimates that the number of Kerala emigrants in UAE in 2001 to be about 5 lakhs. Nearly one-third of this emigrant workers live in worker camps. While one-fifth are engaged in professional or technical work, more than a third of them are engaged in unskilled, semi-skilled and skilled categories in construction, production and technical work. Their remittances constituted 54.78% of the total remittances to India from UAE! Much before the recession hit the 'Gulf', GMS opined "In another two years almost the entire infrastructure work will be over. There is, therefore, a possibility for large scale decline in the demand for unskilled, semi-skilled and skilled categories of construction workers" (Zachariah, Prakash,

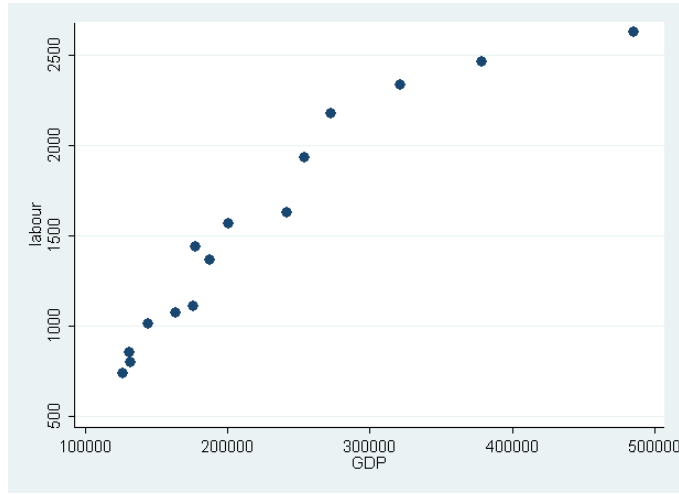


Figure 2: Employment and GDP in UAE: 1992-2005

Table 1: Employment Elasticity in UAE

	Total GDP	Construction	Wholesale	Manufacturing
1995-2000	1.38	2.14	1.23	1.14
2001-2005	0.87	0.98	0.44	0.83

and Rajan, 2002).

Though this is more of a judgemental inference, a rising trend in return migration was expected even before the recession set in. Taking a quick look at the macroeconomic data during that period we could see that employment elasticity was on a decline. Construction sector is the biggest employer, recruiting over 6 lakh workers. Trade & Repairing Services and Manufacturing sector are the other major labor absorbing sectors. While together they contribute only about 30% of the GDP, they absorb up to 60% of the workforce. Mining which is the backbone of the economy contributes over 38% of the GDP, but absorbs only about 2% of the workforce.

From table 1 and figure 2, we can see that employment elasticity <sup>3</sup> was on a decline long before the recession set in. From table 1 we can see that, during the period 1995-2000, to increase output (GDP) by 1%, employment

<sup>3</sup>The resulting slope coefficient by regressing the log values of output on the log values of employment gives the employment elasticity

has to be increased by more than proportionately (1.38%). But after 2000 the employment elasticity reduced to 0.87. That is at higher levels of GDP lesser workers were required, or rather, with same level of workers more output can be generated. Indicating either higher productivity of workers or increased use of labour replacing machines or both. The decline in employment elasticity was highest for the construction sector, which reduced from 2.14 to 0.98.

Recession coupled with a declining employment elasticity was expected bring an exodus of workers to their home country. Probably we need to wait till the next round of CDS migration surveys to gain a clearer picture on the emerging migration and return migration trends.

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