Abstract of the Ph.D Thesis

Title

INDIA'S ECONOMIC RELATIONS WITH GULF COOPERATION COUNCIL STATES: A STUDY OF LABOUR MIGRATION AND ENERGY DIMENSION DURING THE POST-1990 PERIOD

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Department of Economics JAMIA MILLIA ISLAMIA New Delhi-110025 2008 The critical context of the thesis is to invigorate and expand the centuries' old economic relations that existed between India and some of the member countries of the present Gulf Cooperation Council. After a detailed analysis it has been found that two components, movement of labour and transfer of energy resources, have been two significant complimentary pillars which sustained and ushered the Indo-GCC economic relations into new era of post–1990 which is marked by globalization, liberalization and privatization. These two components which most of the time seem mutually reinforcing upon each other prepared the level playing filed for exploring, expanding and boosting our existing relations in new fields such as finance, service sector, technology transfer, IT, education than confining only to the two elements, labour and energy resources.

It has also been found in the study that being centre of the world energy resources, the GCC region has always been at the centrestage (centre) of global politics. Presence of the big powers such as the US, China, Russia, Western countries, Japan, who are deficient of this crucial resource, resulting into internecine politics, arms twisting, is the reality of the GCC order. In such a volatile situation, securing the supply of one of the most crucial elements of growth i.e. oil and gas, is a daunting task. Nevertheless, the present study suggests that it is utmost important for India to engage, develop and expanded its relations with the GCC countries in more diversified fields at least untill India is able to discover new sources or destinations of energy which are relatively stable and secured. The region is very significant for India; it sources more than 65 per cent of oil it consumes, receives approximately \$19-20 billion remittances remitted by more than 5 million expatriates living and working there; its non-oil trade has now touched approximately more than \$50 billion. Besides this, strategically the region is very crucial for India to maintain its communication links with Europe and further, the sea routes are lifeline of Indian maritime trade and energy as more than 65 trade passes through the same region. Thus, looking at these factors the study emphasizes a deeper engagement with the GCC countries in a more affirmative manner than what has been in the earlier decades. For this, the study suggests some of the following things which can improve, expand and boost our relations in the post liberalized era.

- Both trading partners should look at their relations beyond hydrocarbon resources and labour migration. They should deeply engage and address each other's requirements. For instance, the GCC countries require cooperation in diversifying their economies, hence, they need cooperation in the field of science and technology, services, manpower management and global markets for their capital. Under their look east policy, the GCC countries have adequately expressed interest in Indian economy; they now have trust and belief that India is one of the significant economic and technology powerhouses in Asia and believe the cooperation with India in the new changed scenario is worthwhile. Similarly, India also needs their cooperation in energy, trade and manpower export. So they could nurture a mutually beneficial relationship.
- India and the GCC countries should build up an INDO-GCC GAS PIPELINE. This would work better than Iranian mooted IPI. The *Dolphin project* can be extended to the western border of India. Through this project the GCC countries would be able to enter the Asian gas market. For instance, India can emerge as a 'regional gas hub' of the GCC countries. Its western border gas pipeline can be extended up to eastern borders and from there, the south East Asian and Far Eastern countries, particularly Japan and South Korea whose dependence on imported gas is one of the highest, can easily obtain LNG from the eastern Indian coastline. This would entail a lot of benefits such as reduction of traffic congestion at hormuz pass, protection to the marine flora and fauna, reduction of time and cost of transportation coupled with the development of joint patrolling of the sea lanes in the region.
- The nature, composition and volume of trade should be revamped. It should move from necessity based, traditional items to value added, branded items. India should increase the volume of manufactured items, IT trade, etc. For this, certain steps are required such as improving delivery schedules, packaging, hygiene and survey of the GCC markets. India should concentrate on areas where it enjoys comparative advantages.

At forums such as SAARC (South Asian Association for regional Cooperation) and GCC, some agreements should be formalized, such as free trade. This would help massively increase our trade volume, save time and add welfare to all the trading partners. Through block level agreements, chances of 'trade creation' are very strong.

• The issue of labour welfare in the GCC countries should be seriously taken up by both the sides. The rights and welfare of the workers must be protected and improved. This would increase their working capacity and encourage them to contribute more to the GCC economies. The immigration laws of the GCC should be studies and on that basis India should evolve its labour policy. Bilateral labour agreements with the GCC countries should be signed, both bilaterally and collectively.