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► **To cite this version:**

Philippe Venier. FROM KERALA TO THE UAE: EMERGING TRENDS IN A MATURE LABOUR
MIGRATION SYSTEM: The development of entrepreneurial initiatives. 2007. halshs-00324540

HAL Id: halshs-00324540

<https://shs.hal.science/halshs-00324540>

Preprint submitted on 25 Sep 2008

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FROM KERALA TO THE UAE
EMERGING TRENDS IN A MATURE LABOUR MIGRATION SYSTEM
The development of entrepreneurial initiatives¹

Philippe Venier²

Introduction

Kerala had a long tradition of several centuries of international emigration. Nonetheless, since the 70's, the flows have tremendously increased, and West Asia had appeared to be the main destination. Among the Gulf countries, the UAE have become the first host country for the Keralite migrants.

Until the end of the 90's, the migration was based on the principle of a temporary expatriation for an expected wealthy return. In other words, migrants used expatriation, with renewable employment contracts for a betterment of their financial situation as well as a skill experience in order to start a new professional life back in Kerala. Nevertheless, such a principle is now questioned by some socio-professional categories which consider emigration as an opportunity to become self-employed and entrepreneurs.

The analysis of the entrepreneurial initiatives shows that different characteristics exist. Various strategies and routes appear in relation with the migratory context and the opportunities offered. In other respects, the emergence and the development of these new migrants' strategies have been facilitated by economic and political changes in the UAE. In fact, Dubai is asserting itself as a global city where a post-oil economy is arising. Moreover, the development of industrial and business activities in the Emirate prompts the closest ones, namely Sharjah and Ajman, to offer some attractive advantages for business investments. Combined with such an economic evolution, the immigration policy evolves towards a more favourable situation for entrepreneurial initiatives within the migrants' communities. Finally, the impact of the relations between India and the Gulf region is also at stake.

All together, these evolutions have led to an increase of entrepreneurship among Keralites and have consequently, tended to redefine the nature of the migration and its perception by the migrants. In this respect, a study of entrepreneurial initiatives among Keralites living in

¹ This paper has been completed in 2007.

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the UAE leads to a better understanding of the current migratory dynamics between the two sides of the Indian Ocean.

I. An international labour migration Gulf oriented (A Gulf oriented migration)

Three migration waves in 30 years time

Commercial and cultural links between Kerala and the Gulf region have existed for several centuries, but it is during the first half of the 20th century that a real migration bridge appeared in Kuwait, Bahrain and Saudi Arabia consecutively to oil drilling in the 30s and the late 40s³. However, Keralite migration to the Gulf countries started to increase in the 70s. Then, three major flows of migrants from South India can be defined.

The first migration wave started just after the oil price hike of 1973-1974. The GCC countries - newly independent for some of them - began to set up an ambitious policy of economic development based on industrialization, building construction, infrastructure improvement and services. In a context of demographic weakness, Gulf states underwent a drastic manpower shortage which could only be solved by a massive immigration. Three reasons incited the Gulf countries to reorient the demand for labourers towards Asia : the usual stock of migrants from the Middle East and the Near East was not large enough to fit the objectives. Moreover, Asian workers were more submissive and had lower wages. Finally, migration flows were easier to control thanks to a temporary and contractual migration.

A rough estimate gives a number of circa 200 000 Keralites in the GCC countries at the end of the decade⁴. Moreover, this figure represented 89% of the total emigration from Kerala. The international migration from the small Indian state is therefore clearly Gulf oriented.

The 80's are characterised by a slow down of migration flows in relation with the stagnation of oil prices and a lower economic growth. Immigration policies became stricter and thousands of migrants were sent back to their home countries.

The second migration wave appeared in the beginning of the 90's. In fact, the Gulf war changed the geopolitical situation and the whole migratory system in the region. Hundreds of thousands of Arabs migrants were sent out due to the position of their country in the conflict

³ Zachariah, Mathew, Irudaya Rajan, 2003.

(Iraqis, Palestinians, Yemenites, Jordanians). Labour recruitment from South-East and East Asia decreased in favour of South Asian labourers mainly due to a larger differential of salaries and standard of living. The Iraqi blockade created an increase of oil production and oil prices which reflected economic activities in industrial, construction and service sectors. In such a context, the number of Keralite migrants in the GCC countries (except Kuwait) increased rapidly to more than 600 000 in 1993⁵ and up to 1,3 million in 1998⁶. In addition the share of these countries in the total international migration from Kerala was respectively of 96 % and of 93,6 %.

By the end of the XXth century, most researchers working on Kerala's international migration concluded their studies with the assertion that emigration to the Gulf had reached a climax and that a stabilisation, or even a decline of the number of migrants should be starting soon.

Surprisingly, the last survey conducted in 2004; showed the contrary. Keralites living in the Gulf countries are now between 1,6 and 1,7 million⁷ (which stands for 89 % of the international emigration from Kerala), that shows that a third wave is now emerging.

Since 2001, the regional geopolitical situation has not changed the migratory system and has even reinforced it. In fact, in a context of general instability, the small petro-monarchies like Bahrain, Qatar and the UAE are seen as relative stable countries. Moreover, the globalisation process combined with a new oil price hike sustains and creates new economic opportunities in the international trade, industrial and service sectors, construction and real estate businesses. In other words, the policies of these countries are clearly oriented toward a post-oil economic development within a process of being "globalised kingdoms". Among these countries, the case of the UAE is particularly enlightening, as shall be seen further.

The evolution of Keralas' migration between 1999 and 2004 can illustrate this situation. The increase of Keralites in GCC countries is + 28 % during this period. But, meanwhile destinations to Saudi Arabia decline (- 4% i.e. 0,51 million in 1999 and 0,49 million in 2004) those to UAE and Kuwait increase of 59 % and 67 % respectively⁸.

⁴ Department of Economics and Statistics, 1982.

⁵ Department of Economics and Statistics, 1994.

⁶ Zachariah, Mathew, Irudaya Rajan, 2003.

⁷ Zachariah, Irudaya Rajan, 2004.

⁸ For Bahrain : 45 %, Qatar : 41 % and Oman : 15 %. Source : Zachariah, Irudaya Rajan, 2004.

The UAE: first destination for Keralites

Within the Gulf region itself, the UAE have always been a favourite destination for Keralites. During the 70' and the 80', the country represented the first place of emigration with 40 to 50 % of the migrants working in the GCC countries⁹. During the second wave, this percentage came to a relative stagnation whereas Saudi Arabia became the first destination for Keralites. In 1998, the figures were respectively 33 % and 40 % of the total migrants in the Gulf¹⁰.

Since the beginning of the XXIst century, the UAE have once again appeared to be the first destination within the Gulf countries (41 %) ¹¹. Moreover, Keralite migrants represent 50 % to 60 % of the total Indian expatriates in this country. Indeed, the last estimations gave a figure of 600 000 to 700 000 Keralite migrants¹² on circa 1,2 million Indians.

Compared to the total population of the UAE, the Indian community is one of the most important¹³. Nevertheless, it is difficult to give a precise figure due to the lack of trustful census or demographic statistics. For the year 2004, an estimation gives a figure of 4,6 millions inhabitants in the UAE¹⁴. Therefore, we can confirm that about one inhabitant out of four living in this country is an Indian, and one out of seven is a Keralite!

Within the federation of seven Emirates, a very large majority of Keralites has settled in Abu Dhabi and in the conurbation Dubaï-Sharjah-Ajman. Such a substantial community contributes to a sort of South Indian identity in the urban landscape, particularly through economic activities directly linked to Indian daily life consumption. Thus, for the last years, the increase of immigration flow has significantly boosted the wholesale and retail trades in relation with importations and exportations from and to India. Moreover, the assertion of Dubai as a globalised city has favoured these economic activities. Positioned as a crossroad of international trade, the Emirate has facilitated and encouraged business initiatives. In such political and economical contexts, noticeable changes occurred among migrants' professional strategies.

⁹ Department of Economics and Statistics, 1987.

¹⁰ Zachariah, Mathew, Irudaya Rajan, 2003.

¹¹ Zachariah, Irudaya Rajan, 2004.

¹² Consulate General of India, Dubai, January 2004. The study of Zachariah and Irudaya Rajan (2004) gives a number of 670 000 Keralites.

¹³ Maybe the second community after the Iranian community – if we except the native population.

¹⁴ *Population et Société*, n°414, 2005.

Emergence of new migratory strategies

Migration from Kerala to the GCC countries is still based on the principle of temporary expatriation linked to one or several two years contracts. In other words, it is considered as a typical labour migration. According to this principle, expatriation is seen as a personal or/and familial strategy of upliftment within the country of origin.

If this characteristic of the migration to West Asia concerns a very large majority of migrants, some changes appeared among a few of them. In fact, some migrants see emigration as an opportunity of being self-employed and becoming entrepreneurs after a period of time as employee, or when their contract comes to an end, or even at the beginning of their migration.

To give an estimate of the number of self-employed migrants is fairly difficult. Our own data suggests that 2,5 % of the Keralites living in GCC countries are self-employed¹⁵. The 1998 Kerala Migration Study 's survey gives a figure of 4,1% of self-employed emigrants¹⁶.

Taking into account those proportions in the Keralite community of UAE (circa 400 000 in 1998), we can estimate that between 10 000 and 16 000 migrants were self-employed by the end of the 90s. If we keep these percentages for the last available data in 2004, figures are between 16 000 and 27 000 self-employed. But according to several key actors within the Keralite community living in Dubai and Sharjah¹⁷, there has been an undeniable increase in the number of self-employment since the beginning of the XXIst century. Therefore, the 4 % noted in the 1998 survey must definitively be much higher nowadays.

Through this emerging evolution, still limited compared to the massive Keralite migration in the UAE, changes in the perception of the expatriation strategy can be foreseen. We shall now analyse the characteristics and the modes that had led to self-employment and entrepreneurial initiatives.

¹⁵ Survey conducted in 1999-2000 with a sample of 213 questionnaires. Source : Venier, 2003.

¹⁶ Zachariah, Gopinathan Nair, Irudaya Rajan, 2006, page 94, table 5.3.

¹⁷ Interviews of presidents of a Keralites' association, journalists, social scientists and entrepreneurs conducted in may and november 2004.

II. Characteristics of entrepreneurial initiatives

Before introducing the following characteristics, terms like “self-employed” and “entrepreneur” must be defined. To be “self-employed” means that a person organizes his own work without being employed by somebody. Therefore he gets no salary and he is paid by customers to whom he provides services. An “entrepreneur” is a person who sets up businesses and business deals¹⁸. In the context of the UAE, the term of “self-employed” usually means that the person is working as a subcontractor, most of the time under a ‘false’ working permit visa (with the agreement of the sponsor). For entrepreneur, there is the need to be officially registered. Moreover, the self-employed has no employee and works in the service sector, usually without a building of his own, or a proper office. On the opposite, the entrepreneur has several employees and a registered office. However, in a labour migration system where a large majority of migrants are employed and linked to a working permit, both terms signify that the person is no longer employed and paid by someone. Moreover, self-employment is often a first stage towards an entrepreneurial initiative; i.e. a kind of transition of status as we shall see below.

The following remarks intend to present a basic typology based on case studies so as to illustrate some routes and processes of Keralite migrants who left to the UAE for entrepreneurship. Based on twenty-two long interviews of entrepreneurs and Keralite key actors living in Dubai, Sharjah and Ajman, the classification could be made according to some fundamental variables (duration of stay, period of employment or unemployment, professional profile linked or not to mobilization of social capital, kind of development of the enterprise, etc). Be what as it may, we do not intend to present an exhaustive typology of the entrepreneurial processes occurring among Keralite migrants. It is more a typological outline which has to be refined. Nevertheless, the empirical characteristics of our research draws all its relevance in our field experience as well as in our comprehension and analysis achieved concomitantly.

¹⁸ Cobuild, English Dictionary, Collins Edition.

A long employment experience before an entrepreneurial initiative¹⁹

Case n°1

At the age of 24 in 1971, Anil was a teacher in a technical school in Kerala. Willing to get a better position out of his diploma of engineer in electricity, he decided to join his friend working in Dubai. When he arrived at Dubai, no one was waiting for him. With other compatriots left alone in the airport, he was sent on a truck to a hotel whose manager was a Keralite. There, his friend found him but without a job to offer. Short of money, Anil could not pay for the room shared with other migrants. Thanks to friendship and solidarity, he was able to stay almost one year in the hotel without a proper job. When one had a daily job he would share his salary to pay for the room and to buy food for everyone. At the time, there was no problem of working permit and sponsor; a simple residence visa issued by the British Administration was enough.

In 1972, Anil got his first job as a sale representative in a chemical company. A year later, he moved for the same job but in an electrical cabling Jordanian wholesaler. He stayed for two years as employee and decided to start his own business together with three other Keralites. Working under a licence hold by a Pakistani, Anil had just a status of self-employed. In addition, he was not able to bring any capital due to the debts contracted when he was unemployed.

Between 1975 and 1978, the growth of the business was tremendous. Building construction, street lights, industries were the main sector of demand for cabling. In that context, the four associates decided to split and to create their own businesses.

Anil opened his cabling company in 1978, using all his savings and also financial support from friends. The company was settled in a two room/kitchen flat in Bur Dubai and only one employee worked with Anil. During the 80s, the development

¹⁹ People's names have been changed and the name of their business or firm will not be given.

of the enterprise was quite slow but by the end of the decade, Anil had ten employees, all Keralites.

In 1995, the company moved to another place in Dubai, in an adequate building. The same year, Anil opened a warehouse in Sharjah. In 1998, the company became a LLC (Limited Liability Company) and since then 18 employees had been working there..

Case n°2

Kumar arrived in the Emirate of Ajman in 1976 with a contract in a shipping company. After five years, he moved to the company Amoco Gaz (in field coogle service). His third contract was again in a shipping company until 1984 when he started his own business in shipping, together with an associate. The capital invested by Kumar was 15 000 Dihrams (value of 1984) all from his savings and from members of his family. After twelve years the partnership broke down. In 1992, Kumar started with a new shipping company with an initial capital of 200 000 Dihrams. Five years later, another agency opened in Abu Dhabi.

About three forth of the shipping business is in relation with India and mostly to and from Kerala. For other destinations in the world, Kumar deals with other international shipping companies.

The company has 17 permanent employees, mainly Keralites and as well as Nepalese. If needed, it can employ 40 workers for a short period of time. In that case, Kumar would employ only Keralites through his own networks.

Since 2003, Kumar noticed an increase of the business with Kerala as well as a general increase of transfers of goods through Dubai. Therefore, he intended to open a new agency in an other Emirate. Dubai is a good position because of its location. Nonetheless, Ra's Al Khaimah has also some attracting advantages despite a lesser traffic of goods. In fact, the Emirate offers a good location (very close to the harbour) and lower taxes.

The projects of expansion of Kumars' business is directly linked to two things. First of all, the market of goods importation and exportation is increasing fast in all Emirates and secondly, his son will soon start to work with him.

Case n°3

Raheem arrived in Dubai in 1967 just after he obtained his accountant diploma. He was then employed in a British company. During the 70s, he improved his professional position and became the chief accountant of the company.

In 1990, after a restructuring he was dismissed of the company. He got redundancy payment and could keep his working visa. His idea was then to start a business, but in which field? Some members of his family were employed in the printing sector in Dubai. With one of them, Raheem decided to launch out into this business in 1991. The technical experience was brought by a relative and thanks to a good knowledge of accountancy and most of all to a good address book. Due to a limited amount of capital invested, the enterprise was settled in a small building in Ajman centre. Printing machines were second-hand and only two people worked with him (his associate and one employee). Raheem expected to move his enterprise to Dubai where the main market was. But he could not obtain the registration permit.

Ten years later, in 2001, the company became a LLC. With 110 employees located in the industrial park of Ajman. In 2004, a new extension of the building was completed.

Raheem does not give advantages to Keralites for the recruitment of his employees. His criteria are only based on professional skills.

Case n° 4

Mohan arrived in Dubai in 1977. Since 1975 his wife had been working as a nurse in a governmental hospital. With his diploma of mechanic engineer he worked as a milling machine operator. From 1977 to 1990, Mohan was employed in the same job and the same company.

In 1990, Mohan resigned from his job and started for a self-employment. As a security, he kept a working visa from a Pakistanese friend until he was able to get a self-employment visa.

Renting a small workshop in Al Rashidiya area in Dubai, he worked with only one employee on second hand machines. The 1991 Gulf war made his business difficult. For two or three years the order book was quite light. Most of his customers were people he knew when he was an employee. During that time, no benefit was made. His family lived on his wife's wages.

To improve his business, Mohan needed a financial capital. Thanks to both his wife and a friend, he was able to it. Because both of them were employed in a public hospital, they were eligible for a loan from the bank.

By the mid-nineties, orders started to flow in. Mohan opened a second and larger workshop in the industrial park of Al Quoz south from Dubai City. Ten years later, in 2004, he registered his company as a LLC (Limited Liability Company). He then employed 65 workers all from South Asian origin. Keralites and other Indians were recruited through alumni friends working in India. Bangladeshis and Pakistaneses were recruited in Dubai itself. For Sri Lankan workers, Mohan had to travel to Sri Lanka himself to choose the people selected by a local agency.

Through these set of cases, representing the first category of the typology, some common points can be defined.

A good professional experience: All entrepreneurs in this category are people from the first migration wave. They arrived in the UAE with a working visa (or sometime without any official papers until the mid-seventies since they were not always required). If some of them had difficulties to find a job at the beginning (case n°1), the majority had a quite stable professional position. During their employment time they could improve their status by climbing to better posts within the enterprise itself. In this way, migrants obtained a good - and sometime complete - experience in their professional field (cases n°2 and n°4). In other words, this experience led to a knowledge and a know-how which would be mobilized for the entrepreneurial initiative. It is noticeable that the acquired experience was not limited to a technical skill. There is also a good knowledge of all activities within the enterprise including

accounting aspects and also relations with suppliers and customers (cases n°1 and n°4). Finally, we can see that all migrants of this category had high skill diplomas which were quite rare and sought-after in the UAE in the 70's.

A modest outset: Several similarities can be picked out from this first category. First of all, the sector of activity of the enterprise is most of the time the same as that of the migrant when he was employed. If it is not the case, a partnership is required. The migrant brings then an essential know-how but not in the technical field (for example accountancy in the case n°3). Secondly, for most of the migrants the entrepreneurial process appears to be more a “fortuitous” opportunity rather than a conspicuous intention. For example, it can be launched by a restructuring (case n°3) or an entreaty of acquaintances that become partners (case n° 1 and 2). Even in case n°4, where the intention to start for self-employment is more obvious, the migrant takes care of his position by keeping his working visa. And this brings in the third common point. If in all cases starting for self-employment is a bet, the risks at the beginning are quite limited. On the one hand, the financial stakes appear to be relatively limited due to the low investments engaged in the business. On the other hand, by keeping a working visa for a while (cases n°3 and 4) or working under a licence hold by another person (case n°1), there is always the possibility to stop the adventure and to be employed again. Thanks to their long working experience and their wide professional and relational networks the migrant minimize the risk to be unemployed and to become an illegal, thanks also to the good economic context of the country. Finally, related to this progressive commitment, we must notice that the first step to entrepreneurship goes through a self-employment period. In the beginning it is more an attempt to an autonomous job and income which can possibly bring to a real entrepreneur position. As can be seen in the interviews, there are many difficulties to be overcome: the necessity to restrain ambitions is required to last; smartness and resourcefulness are another parameter to be taken into account (workshop in a flat, second-hand machines, etc.).

Social capital: a crucial role: As mentioned above, associations with partners are very frequent, at least at the beginning. But, moreover, a wider social network helps to start, to maintain and to strength the project. Such capital is composed of several social and professional spheres which can be intersected: solidarity network among the Keralite (and

Indian) community, suppliers and customers known when the migrant was employed, government officials²⁰, etc.

This important social capital is directly linked to the economic and political contexts of the UAE in the 70's and 80's. At the time, small industrial and trading enterprises were mainly led by Arabic migrants such as Jordanians and Palestinians. Closed professional and sometime trustful relationships had been established with Keralite employees, particularly because of their professional skills which were reinforced by a mastery of the English language, a facility to learn Arabic and a hardworking capacity. Repatriation of Jordanians and Palestinians during the 1991 Gulf war gave an opportunity and opened a market for self-willed migrants.

Moreover, answers about the relationship with the sponsor show that it is most of the time based on a mutual confidence. Besides, it is one of the characteristics of the first migration wave. In this respect, all entrepreneurs interviewed told us that they have had the same sponsor (*kafil*) since their arrival in UAE or since their first job as employee. For many migrants, a good relationship has been built through out decades. In fact, the sponsors experienced the British colonisation and the time when the independent UAE were just a coastal desert with small towns and harbours. Therefore, they knew what their country owed to the migrants – and more precisely to the Keralites. In other words, a kind of gratitude had been established in this sponsorship²¹ and the fragile situation of the newly self-employed was not jeopardized by the sponsor (payment of the sponsorship postponed, agreement to keep a working visa for a while, etc.).

In other respects, all the migrants of this category had a favourable familial position at the date of starting a business. All of them were already quite “well established”, their family and children lived with them. So, the need to send money to Kerala was less or not compulsory. Therefore savings could be reoriented to a bank account in the UAE themselves. We can also notice that the children were young (i.e. no costly education fees). Furthermore, we can guess that the family situation in Kerala was also favourable (no sisters' dowry to provide, no heavy financial charges for the help of relatives). Finally, the majority of migrants had double salary before starting for self-employment.

²⁰ Due to the British colonisation, all of them were Indians.

²¹ Almost all entrepreneurs (and employees too) of the first migration wave told us that the new generation of *kafil* was not like that of their father...

A migration for entrepreneurial initiatives

Case n° 1

Hakeem is from Kochi in Kerala. His family owns a seafood-canning factory, but during the 80's, the business was declining. So, when his father passed away in 1987, Hakeem decided to try his luck in the UAE ("to find my proper life there"). He arrived at Dubai with "a visit visa, 20 000 Dirham and a seafood tin"! He joined a Keralite friend who owned two fishery factories. After failing to set up a new seafood unit together, Hakeem bought a factory from his friend. Based in the Emirate of Ajman, it was quite old and cheap. Nevertheless, he had to borrow money from his family and friends.

Beginnings were quite hard. Hakeem bought second choice shrimps and prepacked it on old machines. He had no permanent employees He recruited circa 25 Keralites. Day to day who were either illegal, or new immigrants with a visit visa, etc. In this way, salaries were kept low and he thus avoided the troubles of working visas and sponsorship.

Two years later, in 1989, a partnership was contracted with a Pakistanese. His factory was bigger and had better machines than those of Hakeem. The Pakistanese took care of the production sector and Hakeem dealt with trading and exports.

In 1991, thanks to his benefits, Hakeem started his own enterprise. He rented a place in the industrial zone of Ajman from a national but built the factory by himself and bought new machines. A year later, he was able to buy the unit of his Keralite friend back. With his two units and those shared with the Pakistanese, Hakeem started to make a good business. He registered his enterprise as a LLC in 1993. From then on, the development of the business would not stop. In 1996, he opened a new unit in Ajman, and again a new one in 1997, and again another one in 2001 in Yemen, and in 2004 in Mozambique (frozen lobster tail factory). All the factories were opened with the Pakistanese partner. There are now about 150 employees working in the enterprise. A large majority of them are Keralites recruited directly in Kerala. The main markets are out of the Gulf region: USA, UE, Japan, South Korea and Hong-Kong.

All the seven factories are not the full property of Hakeem. He is the major financial partner in only three of them. As for the rest, he owns 25 % of the capital. Nonetheless, six units are managed by members of his family and one is managed by a close Keralite friend.

Moreover, Hakeem has clearly chosen to display his activities in the Gulf region. In 1999, he opened two restaurants specialised in seafood (one in Sharjah and one in Ajman). But limited benefits made him sell one in 2003. An uncle of his manages the other one. In 2000, Hakeem bought an aluminium foundry unit. Despite low benefits he still keeps it.

This entrepreneurial strategy has first been displayed in India. In 1994, a fishery unit was opened in Kerala. But after three years of deficits, the unit was sold. This misadventure started to be followed by his family. Indeed, family and relatives hold together more than 50 seafood canning factories in India (from Gujarat to Kanyakumari). Some of the relatives seriously think of selling several factories and settling in the Gulf or/and on the East African coast. In that case, Hakeem would then be at the crossing point...

Case n°2

Faizal, twenty years old in 1992. Without qualification (SSLC failed) he had casual jobs as a salesman in Kerala. His uncle and brother hold a small cassette-toys shop in Bahrain. They sent him a visa for Dubai where an Iranian friend was the owner of a small similar type of business. The Iranian friend gave to Faizal a working visa (free) to be employed as a salesman in his toys shop located in Karama area. Immediately Faizal revealed himself as a very good salesman. After two years, the Iranian man offered him a partnership in his shop. Faizal refused, he had the idea of doing something by himself.

In 1994 he resigned from his job. The visa was cancelled. Faizal travelled to Bahrain and came back to Dubai with a 15 days transit visa. He had 570 Dhrams in his pocket. During that period of time an international exhibition was been hold in Dubai. The Iranian man had a stand there. At the end of the exhibition, Faizal bought unsold articles back for 420 Dhrams. They were composed of nine boxes of painted clay pots. Thanks to a Keralite friend who was working in a big hotel (Jebel Ali Hotel), Faizal could get a good place in the entrance hall so as to sell his pots. All of the articles were

sold within three days to German tourists. Benefits were tremendous (the price of each articles was multiplied by 100 !). For one and a half year, Faizal lived on the benefits but without proper documents. During that time, he used 14 transit visas and 3 visiting visas.

At the beginning of 1996, at last, Faizal found a place to start a business. It was a daily rented shop behind a cafeteria in Karama area. The owner who was a national, agreed to change the licence of the cafeteria to a gift-souvenirs-antics shop, but he refused to be Faizal's sponsor. In 1997, Faizal rented another shop still in Karama area. The owner was the same national and accepted then to be the sponsor. At the time, Faizal employed one person in his first shop and two people in this new shop: all Keralites.

The business strategy of Faizal differed from that of the other souvenirs shops. First of all, the articles were bought from semi-wholesale or wholesale retailers instead of from other small shops. So, the benefits were more important. Secondly, shops were specialized in "traditional items", i.e. typical items of Dubai (small wood camels, miniaturized Dubai monuments, etc). Therefore, the shops doesn't look like bazaars and attracted more Western tourists unable to bargain efficiently! Thirdly, even with his two shops, Faizal continued to sell souvenir items in big hotels of Dubai in the evenings while his employees were working in the shops. Benefits of these activities were sizeable.

In 1998, he had the opportunity to have a souvenir shop within the Jebel Ali Hotel. The General manager of the hotel gave him the right to be the "owner" of this place (owner means that he does not have to pay a rent for the place; but the real owner is the owner of the hotel). He had then another sponsor. At the end of 1998, Faizal bought a new shop again. Like in the Jebel Ali hotel, he was the "owner" and took another sponsor (Officially, the sponsor is the owner).

1999: opening of a new shop in Karama. By the end of the year: opening of an Indian food restaurant in Deira (new sponsor). Faizal took an LLC licence the same year.

2000: Four warehouses were leased for a twenty years contract. All together the area was about 40 000 square feet.

2002: opening of a shop in Seemen's Club in Bur Dubai. 2003: opening of a shop in Heritage Village. 2004: opening of two shops of which one was for computer

organization of the business. 2005: opening of a shop in Dubai and another in Thailand (bought 45 000 euros). Since 2002, Faizal had markets in other GCC countries (Kuwait, Qatar) close to or within US military bases.

By the end of 2004, Faizal employed 79 persons, all Keralites. Also he employed 8 people in India, 7 in Thailand and 5 in China.

According to Faizal, this lightning rise in his business was due to many reasons. The competition in this economic sector is very hard. So this race to a gigantic business is one way to stay in the competition. “There is a necessity to grow more rapidly than the others”.

Furthermore, he was able to choose specific markets: “traditional items», «antics items”, etc. On the financial and management sides, Faizal could open a new shop almost every year because all his benefits were invested. Except for that, he kept having a simple daily life without an upper standard of living. By buying in bulk (first in Dubai and later with containers coming from South-East Asia), he was able to buy cheaper and most of all to sell cheaper than his competitors. Moreover, the idea of possessing huge warehouses included also a commercial strategy by having four making workshops within the buildings (T-shirt printing, wood items, perfume, glass frames with sand from the seven Emirates) so as themselves to produce his own articles.

Case n°3

After having completed his 10th standard in Kerala, Santhosh moved to Kolkata where he passed his B. Com. Back in Kerala, he worked as a teacher in a high school from 1979 to 1989. In 1989, he married and moved again to Kolkata to start a business in the Educational sector and to teach evening courses for B Ed students. In 1991, his cousin called him from Dubai. He had just opened an Education Centre there and needed a professional to manage the business. Santhosh took the chance and moved to Dubai with his family. He stayed as an administrative manager for three years before becoming a full partner of the Institute for another three years. During that time the enterprise will have a tremendous development. In the early 90’s, private Educational Institutes were scarce and the demand was very high.

In 1997, Santhosh decided to have his own business. He is associated with a national who happened to be a student at the Institute. Both of them shared the investment and the national become Santhosh's kafil. In a context of an increasing demand, the idea was to diversify the offer in the education field. Instead of focussing only on Indian Curriculum (CBSE, ICSE, ISE, Kerala, from VI to XII, within the NIOS: National Institute of Indian Open School) the Institute offered also Pakistan, Philippines, British ("O" and "A" level) and American Curriculum (GED General Education Development Examination). In addition, training schedules were numerous: long-term, vacation and short-term package classes, rapid revision and winter classes. Computer courses, Medical and Engineering entrance coaching, Language Courses (TOEFL, TSE, TWE,...) are also available.

In 2003, Santhosh opened another Institute in Sharjah.

In 2004: opening of courses at university level (BBA and B. Com) in the two cities.

55 persons from all origin are employed in both institutes.

Several similarities can be extracted from this second set of cases.

"A place where everything is possible": First of all, there is an obvious relation between the wish to be an entrepreneur and the migration project. For these migrants, expatriation is exclusively seen as a way to succeed in entrepreneurship. And it is because opportunities exist in the UAE that the migration is chosen. It is also because these migrants have a good knowledge and know-how – mainly in trade and managerial fields - prior to the migration. They either had experience in a professional life in India (case n°3°) or came from a family background favourable to entrepreneurship (cases n°1 and n°2). Reassured by those capacities in India, the potential of the migrants is going to be revealed in the UAE, as if experiences in India had helped and strengthened the migrants. Such idea was clearly expressed by the interviewees. *"It is much easier to start a business in Dubai than in India !"* (case n°3) *"What is difficult to hold or to set up in India is much easier in Dubai. Of course we have to cope with the kafil, we are not full owners of our businesses but the administrative formalities are very simple."* (case n° 2). *"It is much easier than we think to start something here. Indeed, we face a lot of restrictions but basically if we have a vision, everything is possible"*(case n°1). Moreover, the benefits are more important and the market is wider. In short, everything goes easier and faster in the UAE. Even with a limited financial capital bought at the beginning.

To conclude on this first point, the UAE are perceived as a place of fulfilment of a desire for professional independence. In other words, the country appears to be a kind of offshore place for Keralites' entrepreneurial initiatives. The example of case n°1 is particularly relevant: after having succeeded in the UAE, the migrant started to invest in a business in Kerala but he failed. Moreover, family members have the objective to sell factories in India and settle in the UAE ...

Limited socio-professional networks: By contrast with the first category of the typology, the examples of entrepreneurial initiatives show that the social and professional networks are quite limited. The insertion within the socio-economic environment of the UAE is reduced at its minimum and is targeted at the professional activity investigated. As we mentioned, the will to start a business and to become an entrepreneur is obvious among these migrants. It is not an opportunity which occurs fortuitously but a decision intrinsically linked to the migratory project. Therefore, all the social and professional relations are speeded up for the project.

A smart use of the sponsorship:

Despite the unknown future, the insecure position and the difficulties (registration, visa, sponsor, etc), the migrants take advantage of flaw of the sponsorship system: relative laissez-faire policy, financial interest of the kafils, etc. By opposition with cases of the first category, most of these migrants have no possibility to become employees (again). Moreover, the sponsorship cannot be seen as a secure and trustful relation. Therefore, the sponsorship is used as a key to succeed in the objectives: it is just a business relation with only a mutual interest (perhaps except in case n°3 where we can imagine that there is a respectful relation).

A fast rise: as can be seen in the examples above, improvement of the business is fairly swift. After the setting of the first business unit, there was a rapid increase in the number of others and sometimes also an attempt at diversification. Furthermore, there exists an indubitable intuition for the right markets to be taken according to an excellent managerial and trading control. Innovation spirit is also of paramount importance. Briefly, these migrants are ambitious and daring. In a way it is a big gamble! But what are the risks? Most of the men were not married when they started their business (except case n°3) and had surely not the need to send remittances to Kerala.

Self employment as a way to stay as an expatriate

The third category presented now should be considered more as a self-employment situation rather than as a real step towards an entrepreneurial process. In fact, in that case, external factors led to the change. Precisely, the emiratization of employments policy (or arabization in Saudi Arabia, omanization in Oman) intends to introduce more Emirati employees in public sectors of the States. Since the end of the nineties, the government has gradually been replacing responsibility posts within the Civil Service sector. For example, in 2003, one third of the jobs in the telephone public company, Etisalat, was reserved for the nationals. By the end of 2005, this proportion was of two thirds. The same process is conducted in other Civil Service departments.

Such employment policy does not correspond to an increase of posts but to a replacement of existing jobs. As a matter of fact, most of the positions were occupied by foreigners and, among them, Keralites (because of their qualification) were particularly numerous.

Therefore, a lot of them were dismissed with most of the time – for the most qualified of them – a departure allowance. And it is precisely the allowance that incited migrants to go for a self-employment situation. Due to the very limited capital available, migrants started a small business in partnership with other former colleagues or acquaintances. The economic sectors at stake have the characteristics of being without any special professional competences. Consequently, mainly small supermarkets, groceries, small restaurants or cafeterias are concerned. According to several key actors within the Keralite community of Dubai and Sharjah, more than 50% of the shops hold by Keralites are created through this process. Such a proportion is just a figure for estimation. But the striking fact is that a huge increase of new businesses like this can be noticed over the past four or five years. Other trading sectors are also concerned by this development but to a less extent because of the minimum knowledge needed. This is for instance small clothes shops, computers accessories, garage mechanics, building materials retailers (plumbing, electrical, etc).

For all these small businesses, partners need to employ one or two people exclusively recruited in Kerala and often from the same village as the partners'. The employees can be just shop keepers (when they have no qualification) or semi-skilled people went it comes to more specialised shops.

The association of partners in the business is based on a share of benefits corresponding to the capital invested, like in every business partnership. But in such a system, benefits sharing are related to the time of expatriation. For example, if there are three partners with an equal amount of investment, each of them will stay in the UAE for a duration of four months to make his benefits. When one leaves the country, another one carries on with the business for four months. Thus, a yearly turn over will be established. Of course, there are many different combinations related to the investment of each partner and their agreement. Sometime, when a new contribution of capital is needed, a new migrant - leaving in the UAE or coming directly from Kerala - can join the partnership.

There are no similarities between well-established enterprises or companies (cases of the first and second classification) and these “groups”. The first ones have administrative employees, financial funds, a reputation and regular customers. Moreover, the employees have some legal advantages like days off, legal weekly working hours, medical relevance, free visa fees, etc. On the contrary, among those small businesses, bankrupt and/or closure for various reasons are very common. Turnovers of owners are also numerous. Furthermore, most of them do not respect the labour legislation. Keralite employees used to work for 12 to 14 hours a day, have not a single resting day and of course no paid holidays. Owners often extort the cost of the visa from them, as well as the sponsorship price and even the flight ticket. The package (working visa + air ticket + other documents such as medical certificate, etc) is directly sold in the village in Kerala. These Keralites are exploited by other Keralites with the complicity of the kafils.

III. Processes included in larger dynamics

The forms of entrepreneurial initiatives described above have emerged in a whole favourable context which has facilitated the development of these initiatives. In other words, if the global context of the region has played a major role in the rise of three Keralites’ migration waves over the last decades, other internal and regional factors have also influenced the emergence of entrepreneurial processes among the migrants. Moreover, these entrepreneurial initiatives can be seen as an expression of subsequent changes in the migration system.

The international trading affirmation of the UAEs' conurbation

Throughout the twentieth century, Dubai has always been an important trading centre in the Gulf region²². But, it is mainly during the eighties that the state-city started to assert its trading characteristics in the region and gradually over the world. Thanks to a strategy of economic diversification, authorities of the Emirate present their city as a global city, that is to say a metropolis oriented towards a post-oil economy (Dumortier, Lavergne, 2001). The first characteristic of the Emirate is to be an *entrepôt-city* (Marchal, 2001). Regions of importations are East Asia and South-East Asia and region of re-exportations are Europe and the United States.

Therefore now, Dubai is the most active re-exportation platform in the Middle East. An estimate gives the following figure: by the end of the 90's, 80% of the importations were re-exported abroad (Battegay, 2005 : 273). So, the state-city attracts important flows, and not only goods flows but also capital flows. In other words, this place became a space where international businesses have been encouraged and therefore flourishing, particularly since the mid-90's. In such economic context, there has been a new explosion of the building sector so as to offer appropriate infrastructures (harbours, airports, hotels, shopping and tourists' complexes, highways, etc.).

The government priority first of all decided a free economic circulation; but it also concerns a free human circulation. In fact, regarding the demographic situation, this global city could develop its position with the sole presence of foreign manpower. Nevertheless, if this massive flow of manpower served the economic expansion during the 70's and 80's, the will to assert the state-city as one of the globalisation centre since the mid-90s necessitated encouraging also entrepreneurial initiatives among foreigners.

This entrepreneurial incitement was followed by other measures in order to regulate and to better control the migration flows, but without questioning the free human circulation intrinsically linked to the economic development of the state city²³.

One of the measure deals with the educational level of the migrants. A better control on the sponsorships' transfers was the first step. Therefore, two governmental decisions were set up

²² For example, at the beginning of the twentieth century gold taxation in India and Persia gave an opportunity for Dubai to become the main place of gold trading in the whole region (that is to say Indian Ocean region).

²³ This control of the migration flux expresses itself by regular expulsion of illegals with an ostentatious mediatic campaign. But those measures are relatively limited quantitatively because, as everybody knows, thousands of illegals are needed to work on building sites! Therefore, regular amnesty campaign are done...

in 2001, mentioning that only some categories of people could change sponsors, and one of the conditions was to hold a diploma. The second rule came in 2003, stipulating that the SSLC level was the minimum required to migrate in the UAE. As we can see, the objective was slowly to look for a qualitative immigration rather than for a quantitative one, changing the profile of the migrants and consequently favouring educated people. And Kerala was in a good position.

In fact, the Kerala Migration Study expresses clearly such evolution: “*during 1999-2004, the educational level of the emigrants showed a remarkable improvement. A notable feature of this improvement was the increase in the proportion of emigrants with a degree, from 10,5 % in 1999 to 19,4 % in 2004.*” (Zachariah, Rajan, 2004).

At that point of the analysis, two remarks can be made. First, these measures can partly explain the third migration wave of Keralite migrants. Secondly, more than before the migrants are coming from middle-class families. Therefore, the financial pressure of sending remittances is less or even nil. This can also partly explain the increase in entrepreneurial initiatives among new migrants (second category of our typology).

The state-city of Dubai is not the only Emirate engaged in a globalisation process of its economy. Other closest Emirates, namely Sharjah and Ajman, are following the same path, even if they are less wealthy states. Like in Dubai, many industrial and business free zones are rising in desert places, around the cities. Highways, factories, warehouses, buildings for registered offices as well as services, residential areas, and other infrastructures are mushrooming! Broadly speaking, Dubai is more a place for big group settlements while Sharjah and Ajman host rather small enterprises. Furthermore, some sort of competition between the Emirates so as to attract entrepreneurial settlements is real. One of the main factors for such a competition is related to the land property. In fact, land property for foreign business purposes in Dubai is not allowed. On the contrary, Ajman has given the right to foreigners to own the plot where the enterprise is settled. This rule is a clear mean for catching a part of the business development in the conurbation.

Evolution in the sponsorship system (the kafala system)

In the UAE, as in other Gulf countries, the sponsorship (kafala) is a system where every foreigner – from workers to businessmen - has to be ‘represented’ and ‘guaranteed’ by a national citizen: the sponsor (kafil). He is the compulsory intermediary with local authorities.

The counterpart is a fee paid by the migrant²⁴. The historical context of this system lays on the following ‘deal’: from the independence onwards, oil revenue use to go to the rulers’ families. Other national citizens obtained a delegation of the social and economic control through a taking of a part of the added value produced by the foreign labour forces. In other words, the citizenship expressed itself by the right to be a kafil.

On the side of the sponsored person, it is the only means of being employed in the country. Every migrant tries to avoid negative effects of this system and adjusts with it by activating different networks (community, professional...) in order to succeed in his migration strategy.

The business sponsorship takes various forms. In the small and medium trading or industrial sectors, a trading licence or a professional licence is needed. It is usually the migrant alone (or with foreign partners) who registers to the administration (procedure called *establishment*) and it is the sponsor who is the owner of the licence and ‘rents’ it to the migrant in exchange for a remuneration (most of the time on a yearly basis). The same sponsor or another one can be the owner of the building.

In the case of bigger businesses, the rule is that “*all companies created in the UAE will have one or more national associates who will hold a minimum of 51 % of its capital*” (Rycx, 2005: 255). It can be a joint venture with a real financial contribution of the Emirati. That case occurs mainly with Western companies and big companies or multinationals from other countries (for India; it is mainly Indians from Gujarat or other North Indian States). The other situation is that the partnership is a fictitious one. That is to say that the Emirati partner do not bring any financial contribution (side agreement) but is however juridically registered as the owner of the company. To create such company, called LLC (Limited Liability Company), an amount of 300 000 Dirhams is needed. The procedure is as follows: the amount must be deposited in a bank and can not be withdrawn except for investment in the business. The project business is written by a chartered accountant both in English and Arabic and presented to the Court. The official registration specifies that 51 % belongs to the national. In fact, in a large majority of the LLCs, the entire amount is brought by the migrant(s).

²⁴ According to many accounts collected in Kerala and in the UAE, the sponsorship was free of fees in the 60s and until the mid-seventies. It started to be systematically monetarized in the late 80s and became a real ‘business’ in the 90s.

Despite this kind of ‘unfair’ deal, some counterparts exist. Firstly, some legal measures protect the migrant; for example, in case of disagreement between the entrepreneur and the sponsor, a release can be obtained in order to choose another sponsor. Secondly, the foreign entrepreneurs have the possibility to sponsor other migrants. Of course, this is an indirect and unofficial sponsorship, a kind of delegation. In the UAE, foreign entrepreneurs “ became the first users of manpower “ (Rycx, 2005: 247). Last but not least, they have the control of the professional abilities by their own know-how and through their manpower recruitments.

Regarding the fact that in the post-oil economy of Dubai (and Sharjah and Ajman too) the growth is sustained by the industrial and trading sectors, those who lead these sectors, namely the kafil and – to some extent - the foreign entrepreneurs, get an increasing influence. In that context, some evolution of the kafala system is emerging. The delegation of sponsorship given to the foreign entrepreneurs leads to a development of *free visas*, i.e. visas disconnected from an employment contract. Moreover, in some economic sectors like the building sector, the tendency is to avoid declaring the employees to the Naturalization and Residence Administration. In other respects, the right of sponsorship transfers has been given since 1991. It is a possibility to change sponsors and jobs for some skilled migrants. The transfers were facilitated during the 90’s and have, therefore, tremendously increased. In brief, it exists a clear trend of dilution of the sponsorship; in other words a “phenomenon of ‘desponsorisation’.”(Rycx, 2005: 260). In this context, a better managing and control of the system by the state administration is occurring. It is a stricter regulation in order to limit misuses. But meanwhile, there is also a more flexible regulation so as not discouraging entrepreneurial initiatives of migrants. Such flexibility is clearly implemented in the many free industrial and trading zones opened first in Dubai and later in Sharjah and Ajman. Above the many fiscal advantages, the zones are not subject to the sponsorship system. For entrepreneurs, it provides a larger autonomy and reduces the uncertainty of the non-citizenship position. This was clearly said by some interviewed entrepreneurs who are settled in those free zones (First category cases n°3 and 4, second category case n° 1). Even for the others who are settled out of the free zones, the question of the citizenship is no a big deal. Most answers assert that despite their position, there is no problem. Their entrepreneurial activities are needed by the country and in some cases even supported.

To conclude, the development of free zones and the shift to an LLC has led to a process of autonomization of the foreign entrepreneurs. For those under the sponsorship (and out of the free zones), the ‘pressure’ of the sponsor is quite limited. In fact, the annual withdrawal of the

sponsor corresponds by and large to a sort of corporate taxes and taxes on benefits (which do not exist in the UAE).

These internal factors of transformation regarding macro-economic and legal aspects offer definitively wider possibilities for foreign entrepreneurial initiatives in the UAE. This is particularly the case for larger communities like Keralites which have been in the country for a long time. Furthermore, it also exists other external factors which favoured the entrepreneurship.

A new vision of the Gulf migration from the sending country

In the globalisation phenomenon, India is considered as an emerging country with a rapid development process. Among others, it signifies an opening up with an increase of international economic exchanges. Trading relations between India and the UAE lie within this logic. The tightening of these relations can be illustrated by the visit of Indian President – Dr A.P.J. Abdul Kalam – in October 2003. In fact, the UAE was the first country he visited in his first foreign tour since he took over as the President of India. Moreover, economic exchanges between the two countries reveal the weight of this relation. The UAE are the second exportation country for India, just after the United States. Goods are mainly textiles, jewellery (gold and precious stones), metals and agriculture product like tea, rice and seafood. On the other side, India is the sixth exportation country for the UAE (after, Japan, USA, Germany, China and UK). The main product to be exported are crude oil as well as petrochemical products, gold, precious and semi-precious stones. Furthermore, there is a development of the co-operation in the fields of energy and high technology industries. Beyond the exchanges between the two countries, the affirmation of Dubai as an international trade centre is very important for India regarding its strategy of development. About a “*Vision 2020 driven by different missions*”, Dr Kalam at the Dubai Chamber of Commerce and Industry (DCCI) said: “*Indian industrialists, commercial chiefs and technologists are gearing up to mission mode for such a transformation and I see a great opportunity for DCCI to play a crucial role in this phase that can be mutually beneficial and will make both countries proud.*”²⁵

All these geo-economic evolutions push India to reconsider its point of view as regards the Indian emigrants in the UAE; firstly towards Indian entrepreneurs. As it is clearly said in the journal of the Consulate General of India, Dubai: With “*over 500 Indian companies having registered in Abu Dhabi [...], 6000 companies in Dubai, 3800 in Sharjah and more than 300*

in the Jebel Ali Free Zone, this visit by Dr Kalam has further given an impetus to Indo-UAE commercial ties.”²⁶

But more generally speaking, it is the entire expatriate community that benefits from a new glance and a better esteem from India since the beginning of the twenty-first century²⁷. In fact, among the NRIs, those from Gulf countries were not considered as ‘good’ or interesting as those from the Western countries. The main causes were that the emigration is a temporary one and overall concerns a large majority of South Indian workers and small employees. Nonetheless, taken as « full NRIs », Indian expatriate of the UAE get the same rights than others living abroad. Considering that they are those who send most of the remittances to India, they even organize an efficient lobbying in order to obtain some new advantages; for example: since 2004, introduction of a compulsory insurance scheme for Indian workers; one-third reservation quota, within the 15 % seats reserved in educational institutions, available for children of the Gulf (and South East Asia) NRIs; the NRI fees would henceforth no be required; customs duty free on various high-tech items, reduction of customs duty on other items under Transfer of Residence, etc.

This kind of re-orientation of the Indians policy towards the UAE as well as towards the expatriates indeed highlights the globalisation process occurring in this region of the world but also highlights an important evolution of the migration system between Kerala and the UAE.

Conclusion: The entrepreneurial initiatives: a reflection of changes within the migration system

The entrepreneurial initiatives among the Keralite community reveal a change in the perception of the migration. The migrant project is no longer built in his own country after an enriching experience in the Gulf, but is rather built in the host country. In other words, the search for an autonomous professional position is not completed in Kerala but in the UAE. Firstly, it means that the relation to the host country has changed. This evolution is not only due to the economic and political contexts as evoked above; the temporal and quantitative dimensions of the migration are also important. As we have seen in the typology, this maturity of the migration system expresses itself by different ways (categories 1 and 3).

²⁵ Journal of the Consulate General of India, Dubai, January 2004, page 18.

²⁶ Journal of the Consulate General of India , Dubai, January 2004, page 9.

Secondly, it means a longer period of stay in the host country. In this sense, the duration of the migration is disconnected to the classical labour migration based on temporary working permits. The ‘migratory parenthesis’ (Rycx, 2005: 249) becomes almost a permanent migration. This leads to a permanent installation which is reinforced by the size of the Keralite (and Indian) community. Intrinsically composed of a cosmopolitan society, a ‘human kaleidoscope’ (Dumortier, Lavergne, 2001), the UAE do not at all require an integration of the foreign communities. The patchwork or the mosaic of communities allowed each of them to keep their identity. In that way, some areas of the conurbation Dubai-Sharjah-Ajman can be considered as many as “little Keralas”. This pregnant “indianity” or precisely this pregnant “kerality” gives some advantages which help to settle permanently but also to strengthen a business. Keralite shops, educational institutions, cultural events, films, religious festivals, etc, are everywhere and as good as in Kerala.

Furthermore, the permanent settlement of entrepreneurs is structured by the attendance of the family. In fact, there has been a clear increase of the women migration since the end of the nineties. If a good part of the women are without their husband or are not married, there is also an increase of married women who come to live the UAE with a visit visa and stay there after a procedure of regularisation. As we have seen above, the number of visit visas has increased for the last decade in relation with a relative laissez-faire policy which benefited to the family reunion. Moreover, some entrepreneurship strategies of the migrants are supported by the wife’s jobs, at least during the starting period of their business.

Permanent settlement, important dimension of the community, pregnant indianity and family settlement are the major factors which led to a diasporic construction. In other words, more than thirty years of temporary and contractual migration have produced a Keralite diaspora and the entrepreneurship can be considered as the spearhead. The second generation, now young adults, clearly expresses the feeling of belonging to a diaspora. They have spent the whole of their childhood in the UAE, they even took their educational degree courses in English, American or Australian universities, they have alumni, professional or even family relations all over the world. This is clearly a process of transnationalisation occurring in the second generation of Keralite migrants. For them, and for their parents, the question of the non-citizenship in the UAE is not a problem. It is not seen as a threat. On the contrary, it seems to be a kind of advantage since there is no risk of being integrated in the host society. In fact, the diasporic and transnationalism processes allowed migrants to keep closer relations with the country of origin by opposition to other Indians’ diasporas in the western countries.

²⁷ Perhaps the relative failure of the ‘charming policy’ towards the USA and UK NRIs has also favoured this new esteem?

The recent nature of the diaspora is one reason. Another reason lies in a strong cultural Indian identity in the cities of the UAE. Finally, the geographical proximity of South India and the fast development of numerous air lines between the Gulf countries and Kerala (with three international airports!) help expatriates to be close of their country of origin. In a very short time and for a cheap price, one can easily reach his village of origin. Therefore the comings and goings are very important and frequent.

At last, entrepreneurial initiatives highlight two main points that allow reconsidering the migratory relations between Kerala and The UAE. Firstly, the economic policy of the UAE creates a polarization of the entrepreneurial energies: the entrepreneurial spirit of Keralites – considered as non-existent in Kerala and among migrants! - is attracted and, in a way, delocalised on the other side of the Indian Ocean. That is to say that the UAE are now becoming an offshore space for Keralites. Can we say that the conurbation Dubai-Sharjah-Ajman is becoming the capital city of Kerala, as is often asserted when exchanging with Keralites (in the UAE as well as in Kerala)? It could partly explain why a third migration wave is going on. Secondly, the development of entrepreneurial initiatives in the UAE reflects the difficulties or even the impossibilities to create the same businesses in Kerala. Due to many reasons, the migrants interviewed were in favour of investments into guaranteed incomes like land, hotels, residential buildings, shopping complexes, partnership in private hospitals or schools, instead of going for investments to create an enterprise. Nonetheless, in the context of fast economic development in South India, entrepreneurial strategies of the UAE migrants may and be reconsidered in a short-term.

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