

## Reasons for Migration of Contract Labor to Oman: A SEM Approach

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### ABSTRACT:

Oman has made tremendous progress in the last four decades on the back of rising oil prices and this has led to substantial economic activity in oil, construction, industries and services sectors creating an unprecedented demand for labor ranging from professionals, technical experts, educators, highly skilled people in all vocations to low and semi-skilled people including cleaners, gardeners, packers, domestic workers etc. The objective of the current paper is to examine the causal factors which determine the underlying reason for the migration of such contract workers into Oman, and analyze why some factors seem to play a key role in the workers' decision to migrate while some do not. Primary data was sourced through interview schedule by using a structured questionnaire and the information regarding the respondents migration were collected from 105 respondents (N=105). A Structured Equation model (SEM) was used for both identification and examination of factors that are primarily responsible for migration of low skill workers into Oman. The results showed that 11 out of the 15 factors studied were important in influencing the decision of the workers to migrate while the remaining four were not significant. The research attempts to identify the factors that are critical in explaining the motives that prompt the contract workers to migrate to a new place under uncertain and challenging conditions and throw up important pointers for researchers and policymakers in both the source and destination countries.

**Keywords:** Expatriate, Migration, Contract workers, Nationals, SEM

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### INTRODUCTION

Migration refers to the movement of individuals or groups from one place to another in search of better economic opportunities and a hope for a better life in an unseen world. The International Labor Organization (ILO) has classified international migration for employment into two major categories, namely, settlement migration and contract migration (ILO, 1989). Settlement migration is a type of migration in which people migrate from one country to another to secure jobs and settle there. However the current study relates to contract migration only. According to Zachariah et al. (2004), international contract migration occurs when a worker is officially granted permission to enter

another country and take up employment in a given job and a contract is entered into on his behalf or between him and the employer or enterprise for which he is to work. The contract worker, therefore, is seen solely as an economic migrant on a strictly temporary basis having neither social nor political rights.

#### The Case of Oman

The discovery of oil and the subsequent oil boom in the Arabian Gulf region led to tremendous economic activity thus creating an unprecedented demand for labor in the oil, construction, industrial and services sectors in the GCC countries. Currently, approximately 10

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million migrant workers, primarily from Southeast Asia, South Asia and Africa, live and work in the six states of the Gulf Cooperation Council (GCC). (Fasano and Goyal, 2004). The migration pattern to the Arabian Gulf states is really a system of temporary migration of mainly low skilled and semi-skilled workers on fixed term contracts, dictated by economic disparity, labor shortage in the destination country and a marked wage differential.

Oman, one of the six GCC countries, is a founding member of the Gulf Cooperation Council (GCC). With its economy largely based on Oil and Gas, Oman's population stands at 3.6 million out of which Omanis account for about 2.1 million and expatriates about 1.5 million (Oman Statistical Yearbook, 2012). Under the sagacious leadership of Sultan Qaboos bin Said, Oman has adopted a distinct socio-economic development path vis-a-vis other GCC countries keeping in mind its modest oil reserves and exports and a rapidly growing population. As a new horizon of growth and development opened up job opportunities, the percentage of migrant workers in Oman, ranging from professionals, technical experts, educators, highly skilled people in all vocations to low skill people including cleaners, gardeners, packers, domestic workers etc. has grown steadily over the last four decades and in fact has dominated the workforce. The figures for 2012 show expatriate workforce to be around 78% of the total workforce and about 88% of the private sector workforce (Oman Statistical Yearbook, 2012).

According to 2012 figures, limited skill laborers constitute 41% of the total expatriate workforce in the private sector in Oman. These are the migrant workers with bare minimum educational qualifications who take up low paid labor intensive jobs as construction workers, cleaners, gardeners, domestic workers, loaders, etc and are often ready to work in adverse condition as they are generally from the poorest background and in dire need of money. 44% of the total expatriate workforce is in the construction sector, 10% in private household with employed persons and 11% in manufacturing among others. Thus a predominant majority are employed as construction workers and as domestic helpers. The largest proportion of expatriate workers comes from India, followed by Bangladesh,

Pakistan, and Ethiopia according to the Oman Statistical yearbook 2012.

If we look at the distribution of expatriate workers according to educational qualifications, we observe that the workers with up to secondary education constitute 89% of the total expatriate workforce. Educational status of the expatriate workers working in private sector explains their contribution at various occupational levels. Table 2 shows that 32.5% of the expatriate workforce has not done even primary school education and only 7% hold primary education certificates. The vast 89% of expatriates with secondary education or below are those who are absorbed in heavy manual work many times in dangerous and / or hazardous conditions. This category of workers are easily available, paid very low wages and are always ready to work in any given conditions as they are in acute need of money due to poverty situation back home.

#### **Statement of the Problem**

A large swathe of this expatriate workforce is not protected by labor laws and many are effectively subjected to conditions of involuntary servitude. Many had to pay exorbitant recruitment and migration fees to agents in order to get the valid legal documents which would allow them to live and work for the contractual period. In the workplace, problems include long working hours, low salaries and late payment of salaries and poor and repressive living conditions. They suffer restrictions on movement, including the withholding of passports and are particularly vulnerable to psychological and physical abuse. It is extremely difficult for such victims of abuse to seek legal redress.

The condition of the migrant contract workers, the majority of whom come from South Asia, is a subject attracting increased attention from the governments of both sender and destination countries, as well as from international agencies and public opinion. There is an evident concern to manage this contract labor in such a way as to meet the needs of both parties, with full respect for the human and labor rights of the workers concerned. However, there is a real dearth of study on migrant conditions in Oman. The author felt that in such a situation there was a strong case for carrying out the present research.

### **Research Objective**

The objectives of the current paper are:

- 1- To identify the causal factors which determine the underlying compulsion of migration of such contract migrants workers into Oman, and
- 2- To analyze why some factors seem to play a key role in the workers' decision to migrate while some do not in Oman.

### **Literature Review**

From the various studies it was evident that there existed no integrated theory of the process of international migration but only a set of partial theories and models developed from different disciplinary viewpoints (Zachariah et al., 2007). Early migration models (e.g. Zipf, 1946) explained migration as a function of the size of the origin and destination population. The focus since the 1980s was on more elaborate microeconomic models. Lee (1966) was the first to introduce a push-pull framework on an individual level, looking at both the supply and demand side of migration. Lee hypothesized that positive and negative factors operating at the origin and destination pushed and pulled migrants towards (Non) migration. Sjaastad (1962) treated migration as an individual investment decision to increase the productivity of human capital, thus again focusing on the labor market. Individuals made a rational cost-benefit calculation of the expected discounted returns of migration over future time periods, migrating only when the expected returns were positive.

Wolpert's stress-threshold model (1965) postulated that individuals had a threshold level of utility they aspired to. They compared place utilities to this threshold in order to decide whether to migrate or not and to which place. Place utilities for the current position were based on past and future rewards, whereas place utilities for possible destinations depended on anticipated rewards. Another behavioral model, the value-expectancy model (Crawford, 1973) said that the potential migrant's strength of migration intentions depended on a multiplication of the values of migration outcomes and expectations that migration actually led to these outcomes. Values were specific goals, e.g. wealth or autonomy. Values and expectations depended on personal and household characteristics (e.g. education level) and societal norms. These values did not

necessarily have to be economic, for example security or self-fulfillment could also be important to potential migrants. Migration depended on the strength of migration intentions, indirect influences of individual and societal factors and modifying effects of constraints and facilitators. There were also other similar micro-based individual behavioral decision making models, e.g. work by de Jong and Fawcett (1981) or the adjustment-to-stress approach of Ritchey (1976).

The more traditional migration approaches assumed that individuals independently made the decision to migrate. Harbison (1981) contended that families could influence the individual migrant's decision, e.g. through the demographic structure. When looking at migration from a gender perspective, family structure could influence the migration decisions of women in particular. As Morokvasic (1984) pointed out, women migrated not only because of economic motives, but also to get married, due to social constraints, low rights and lack of protection against domestic violence. The New Economics of Labor Migration (NELM) went one step further. Developed by Oded Stark in the 1980s, in cooperation with David Bloom, Eliakim Katz, David Levhari, Robert Lucas, Mark Rosenzweig and J. Edward Taylor, the NELM was the only migration theory that explicitly linked the migration decision to the impacts of migration, with remittances being this link (Taylor and Fletcher, 2001). A household then gained twofold from having a household member abroad to a place with higher income in terms of a higher absolute income and in terms of a higher relative income. Massey (1990) argued the factors that influenced migration to start could be very different from the conditions that made migration continue, i.e. perpetuate. After an initial phase of pioneer migration, migration became more common in the community, with more and more people imitating current migrants and being helped by them until migration became self-sustaining. Faist (2000), a sociologist, emphasized the role of social linkages and explained how migrant networks were crucial for understanding the patterns and volume of the migration, once it was set off. After a pioneer period, when migrants faced many difficulties, the access of their followers to the destination country was easier, as they were

better informed through the pioneer migrants. New channels of communication were established and communities of migrants were created in a receiving country (Goss and Lindquist 1995). New migrants received help from the pioneer migrants ranging from arranging the trip to finding a job, thus making migration increasingly cost and risk free. Thus to summarize, on the micro-level income differences and poverty undoubtedly pushed and pulled potential migrants. Risks and dysfunctional credit markets in the home country could also be reasons for migration. Questions of power and prestige could also influence decision making, as well as other personal goals or values.

## RESEARCH METHOD

The study has used the exploratory and causal research design as it intends to explore and measure the reasons for migration of contract labor to Oman. The present study is predominantly based upon the analysis of both primary and secondary data. The primary data has been collected and collated from the distribution of about 105 questionnaires to as many respondents in a random manner at different locations in Muscat including offices, educational institutions, shopping malls, housing complexes, construction sites and even private households employing domestic help etc. The target group consisted of migrant contract workers in low skill occupations with maximum of secondary level education that has been hired by employment agencies in Oman from other countries. Since many in this category are not proficient in English, the questionnaires in such cases were administered on the basis of an oral interview of the respondent. The secondary data was sourced from Oman Statistical Year Books published by Ministry of National Economy. Various policy documents like Five Year Plans (4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup>), Census of Oman, Facts and Indicators of Five Year Plans provided important information on the different facets of Omani and expatriate employment. The study was conducted based on respondents who are contract laborers performing various activities in Oman. The non-probability convenient sampling technique has been used to collect the primary data. Primary data was sourced through interview schedule by using a structured questionnaire and the information regarding the respondents migration

were collected from 105 respondents (N=105). The structured questionnaire uses a 5 point Likert scale (strongly agree....strongly disagree) in order to analyze the determinants of reasons for migration of contract labor into Oman. The questionnaire consists of 15 statements. The questionnaire was tested with Cronbach's Alpha reliability analysis to test the validity of the collection instrument, producing a score of 0.843 which meant that the proposed instrument was highly reliable.

### Framework of the Questionnaire

The questionnaire consists of 15 constructs, which are based on the previous research studies. Table 1 presents the fifteen constructs used in the study.

### Structured Equation Model (SEM) Using Path Modeling

A structured equation model (SEM) is most appropriate for this study due to the interdependent nature of the research variables. The SEM was chosen to test the structural model for several reasons as given hereunder. The present research model comprises many paths. Unlike regression that examines only a single relationship at a time, SEM provides estimation for a series of separate regression equations simultaneously. SEM is particularly useful when dependent variables become independent variables in subsequent dependent relationships. SEM technique is superior as it allows for the specification and testing of complex path models and is considered more rigorous and flexible than other comparable techniques. SEM is a statistical technique for testing and estimating causal relations using a combination of statistical data and qualitative causal assumptions. SEM allows both confirmatory and exploratory modeling, meaning they are suited to theory testing and development. Confirmatory modeling usually starts out with a hypothesis represented in a causal model. The concepts used in the model are operationalized to allow testing of the relationships between the concepts in the model. The causal assumptions embedded in the model often have falsifiable implications that are tested against the data. SEM allows the simultaneous examination of the effects of the antecedents as opposed to ordinary regression analysis.

**Table 1: Development of constructs chosen for the study**

S.NO	DETERMINANTS
1	I am the sole earning member in my family
2	I did not have a regular monthly income at home.
3	I had to worry whether the money I earned would last the whole month in my home country.
4	My work back home involved hard manual labour which was difficult for me to sustain.
5	I worked more than 12 hours a day every day without a break in my home country.
6	The money I earned made it impossible for me to save some amount yearly in my home country.
7	I was mentally dissatisfied with my work back home.
8	Many of my family members suffer from health problems due to lack of proper nutrition back home.
9	I have a large debt in my home country.
10	I have to save money for education/weddings of my dependents.
11	I felt migration was the only way to improve my economic condition.
12	I tried to find alternate sources of work back home but could not.
13	Alternative job opportunities which pay more are limited for a person with my profile at home.
14	I have seen or heard about other people like myself who have substantially improved their position after working in the Gulf countries.
15	I wanted the experience of working abroad.

Path modeling is a robust SEM technique, which is a flexible and powerful means to predict and assess relationship between latent variables of reasons for migration of contract labor. SEM is applied to evaluate the strength of the hypothesized relationships among the constructs in the theoretical model developed by this study. SEM is a family of statistical technique that incorporates and integrates factor analysis and path analysis. It is utilized to model multivariate causal relationships and test multivariate hypotheses. Besides testing for model fit, SEMs also provide a measure of multicollinearity. In some cases, the model fits the data well, even though none of the independent variables has a statistically significant impact on the dependent variables. The hypothesis was formulated and represented in a causal model. The model creation is discussed in detail below.

#### **Theoretical Framework and Hypothesis Formulation**

When trying to gain an understanding of the reasons for migration of contract labor to Oman, it is helpful to have a framework within which to work and from which testable hypotheses are drawn. A theoretical framework enables analyzing the reasons for migration of contract labor to Oman.

#### **Theoretical Framework**

To understand better the reasons for migration of contract labor to Oman, a framework is established which describes the causal relationship between the fifteen factors of reasons for migration of contract labor to Oman. The rationale underlying this research framework is straight forward. A survey of the literature survey has yielded the 15 main determinants of contract labor migration and hence these have been used in the SEM analysis. The following table 2 shows the variable specification for the 15 constructs.

**Table 2: Variables specification for measuring the reasons for migration of contract labor to Oman**

Manifest variables	Latent variable
I am the sole earning member in my family.	SOL
I did not have a regular monthly income at home.	REG
I had to worry whether the money I earned would last the whole month in my home country.	WOR
My work back home involved hard manual labour which was difficult for me to sustain.	HRD
I worked more than 12 hours a day every day without a break in my home country.	WRK
The money I earned made it impossible for me to save some amount yearly in my home country.	MNY
I was mentally dissatisfied with my work back home.	DST
Many of my family members suffer from health problems due to lack of proper nutrition back home.	SFR
I have a large debt in my home country.	DBT
I have to save money for education/weddings of my dependents.	EDU
I felt migration was the only way to improve my economic condition.	IMP
I tried to find alternate sources of work back home but could not.	ALT
Alternative job opportunities which pay more are limited for a person with my profile at home.	JOB
I have seen or heard about other people like myself who have substantially improved their position after working in the Gulf countries.	PLE
I wanted the experience of working abroad.	EXP

REASONS FOR MIGRATION OF CONTRACT LABOUR (RMCL)

**Hypotheses Development**

The research hypotheses have been defined on the basis of the reasons for Migration of Contract Labor to Oman. The following figure 1 is a graphic presentation of the developed hypothetical model. On the basis of presented model, the following hypothesis is proposed.

**Hypothesis:** All the determinants are positively correlated with the migration decision of Contract Labor to Oman

**RESULTS AND DISCUSSION**

This section presents the result of SEM. It measures the reasons for Migration of Contract Labor to Oman. The hypothesis was tested using Lisrel Maximum Likelihood Estimates of a SEM technique by a SEM enabled researcher to answer a set of interrelated research questions in a single, systematic and comprehensive analysis by modeling the relationship between multiple and dependent constructs simultaneously.

**Path Model**

The conceptual model in figure 1 was estimated using path model. Model estimation was carried out with the selected fifteen variables.

From the path diagram (figure 2), almost all the measured variables are influenced with the latent variable of successful operation for measuring the reasons for Migration of Contract Labor to Oman. These also have positive relationship with the significance at 1 percent and 5 percent level. Out of 15 variables, four variables namely, “I am the sole earning member in my family” (SOL), “My work back home involved hard manual labor which was difficult for me to sustain”(HRD), “I felt migration was the only way to improve my economic condition” ( IMP) and “I tried to find alternate sources of work back home but could not” (ALT) have negative relationship within the operation. Hence these factors cannot be part of the hypothesis as they do not contribute to labor migration into Oman.

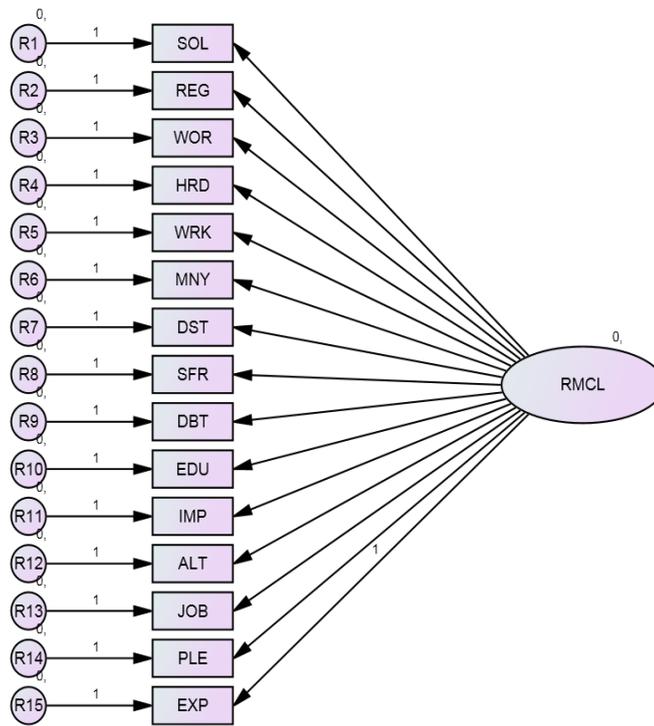


Figure 1: The reasons for migration of contract labor to Oman – hypotheses model

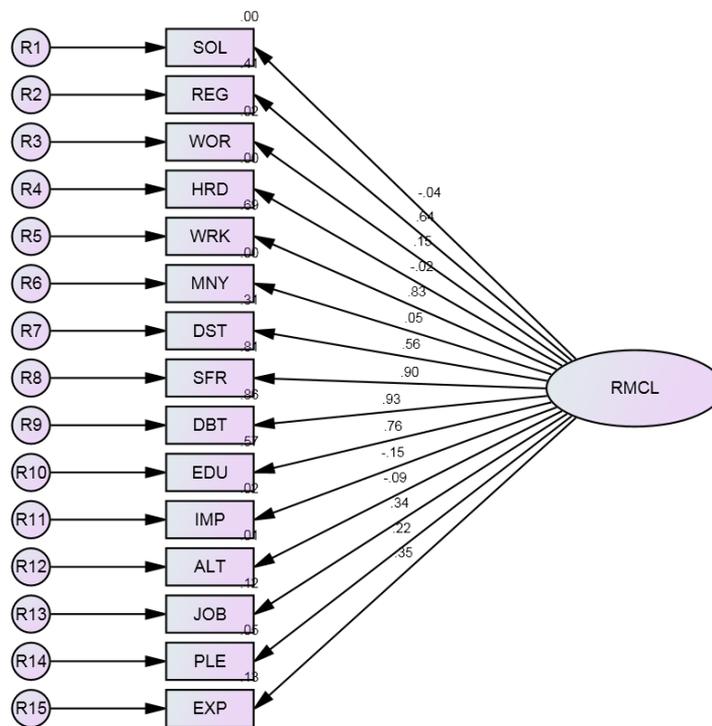


Figure 2: Structural model – results of hypotheses of selected fifteen constructs

**Table 3: Regression weights-Lisrel Maximum Likelihood estimates**

Latent Variable		Measured Variables	Estimates	SE	R <sup>2</sup>	CR	Hypothetical Relationship
RMCL	<---	SOL	0.078	0.045	-0.04	1.755	Negative
RMCL	<---	REG	0.543	0.078	0.64	6.973	Positive
RMCL	<---	WOR	0.917	0.130	0.15	7.044	Positive
RMCL	<---	HRD	1.226	0.493	-0.02	2.485	Negative
RMCL	<---	WRK	0.530	0.075	0.83	7.064	Positive
RMCL	<---	MNY	0.181	0.026	0.05	7.058	Positive
RMCL	<---	DST	0.261	0.041	0.56	6.427	Positive
RMCL	<---	SFR	0.128	0.032	0.90	3.949	Positive
RMCL	<---	DBT	0.076	0.016	0.93	4.876	Positive
RMCL	<---	EDU	0.182	0.027	0.76	6.851	Positive
RMCL	<---	IMP	-0.247	0.286	-0.15	-.866	Negative
RMCL	<---	ALT	-0.232	0.173	-0.09	-1.346	Negative
RMCL	<---	JOB	0.584	0.083	0.34	7.071	Positive
RMCL	<---	PLE	0.453	0.064	0.22	7.053	Positive
RMCL	<---	EXP	0.173	0.026	0.35	6.663	Positive

\*\*\* Significant at 1% level

**Table 4: Model fit indices**

Sl. No	Model Fit Indices	Calculated Value	Acceptable Threshold Levels
1	Comparative Fit Index(CFI)	0.599	0-1
2	Normed Fit Index (NFI)	0.741	0-1
3	Relative Fit Index (RFI)	0.798	0-1
4	Incremental Fit Index (IFI)	0.691	0-1
5	Parsimonious Normed Fit Index (PNFI)	0.819	0-1
6	Parsimony Comparative Fit Index (PCFI)	0.793	0-1
7	Tucker Lewis Index (TLI)	0.597	0-1
8	Root Mean Squared Error of Approximation (RMSEA)	0.04	0.05 or less would indicate a close fit of the model

Table 3 indicates the regression coefficients of the exogenous variables. It is disclosed that the critical ratio of the remaining 11 manifest variables are above the table value 2.962 and are significant at 1 percent level. As already highlighted above, the other four factors, namely, SOL, HRD, IMP and ALT are rejected as being causal factors behind the labor migration into Oman.

#### Model Fit Summary

Table 4 indicates the model fit indices of the variables. The entire test has the range of 0 to 1. The comparative fit index (CFI) scored 0.599, normed fit index (NFI) scored 0.741, relative fit index (RFI) scored 0.798, incremental fit index (IFI) scored 0.691, parsimonious normed fit index (PNFI) scored 0.819, parsimony comparative fit index (PCFI) scored 0.793,

Tucker Lewis index (TLI) scored 0.597, and the Root Mean Squared Error of Approximation (RMSEA) secured 0.04 that indicates a close fit of the model. Hence, it is evident from the aforesaid results the model is a good fit.

The reason that 11 of the factors are statistically significant as determinants of migration could be due to the following reasons:

1. *I did not have a regular monthly income back home.*

The large majority of the contract migrant workers come from economically disadvantaged category and lack of proper education makes it impossible for them to find viable employment throughout the year. Many of them in fact eke out a living in their home country by taking up seasonal employment. The source country as well as Omani policy makers needs to be cognizant of this as they formulate policies that facilitate this aspect in terms of easy and unrestricted remittances, able to live comfortably etc.

2. *I had to worry whether the money I earned would last the whole month in my home country.*

This factor highlights the intrinsic human need to improve one's lot in life and reduce economic hardships. The earning differential between the source country and Oman would need to allow for this.

3. *I worked for more than 12 hours a day without a break in my home country.*

This factor points to the exploitation and tough working conditions that might be prevailing in the home country. The policy makers there need to review this aspect and bring in suitable legislations. Oman needs to adopt policies which do not lead to labor exploitation if it has to sustain needed labor migration and achieve higher productivity from this resource.

4. *The money I earned made it impossible for me to save some amount yearly in my home country.*

This factor has a direct link with the increasing cost of living in the source country and the fact that incomes may almost always fail to keep pace with the rising costs.

Such a flow of migrant labor, therefore, would sustain as long as the earning differential between the source country and Oman exists.

5. *I was mentally dissatisfied with my work back home.*

This factor links to the need for an individual to be satisfied with the work he is doing. Several aspects viz. wages, working conditions, recognition and growth opportunities may play a part here. To maximize productivity, Oman needs to ensure equitable labor policies and legal protection for the migrant workforce.

6. *Many of my family members suffer from health problems due to lack of proper nutrition back home.*

The migration compulsion here may vary between 'need to escape from illness and health issues' mindset to saving money for the healthcare of family members. The source country policy makers need to make a note of this systemic deficiency and Oman should allow for affordable health insurance cover for migrant labor.

7. *I have a large debt in my home country.*

The vast majority of these migrant workers are caught in the classic vicious cycle of debt where they have to borrow more to repay their past debts in their home country. In such a situation, the prospect of earning a higher wage in the destination country appears as a welcome relief to escape the stranglehold of debt.

8. *I have to save money for education/weddings of my dependents.*

In view of the fact that free education and health facilities still remain outside the reach of many while increase in the cost of living can become crushing, this factor obviously plays a very big role in the decision of the migrants to try their luck in a new country.

9. *Alternative job opportunities which pay more are limited for a person with my profile at home.*

This factor, though not the same, has some resonance with 4 and 5 above. The primary motivator of improving one's own economic situation holds true in this case also. The expectation of higher earning potential in Oman remains and in fact has improved recently with a depreciation of many of the Asian currencies against the dollar and consequently the Omani Rial.

10. *I have seen or heard of other people who have substantially improved their position after working in the gulf countries.*

Here again the motivating factor leading to migration is the promise and hope of a better tomorrow and aspirations of an economically disadvantaged class for more economic security. For that to be achieved the source country policy framework should facilitate migration opportunities and Oman needs to offer a safe and pleasant living and work environment.

11. *I wanted the experience of working abroad.*

This factor cannot be directly linked to socio-economic advancement of the individual but may be more aligned to the spirit of discovery and the hope of a better tomorrow which an increasingly open and global environment has fostered. It would benefit Oman to offer an environment which sustains such hopes if it continues to need such services in the near future.

The following factors were however, statistically rejected by the SEM analysis as having any role to play in the migration decision of the workers: 1. *I am the sole earning member in my family:* The reason for this could be that many of these workers come from poorer sections of society where large family sizes are still very much the norm and hence the number of earning members in a family may be multiple even if the earnings are meager because of the nature and irregularity of employment.

2. *My work back home involved hard manual labor which was difficult for me to sustain:* This could be explained by the fact that many of them continue to do hard manual labor in Oman too and thus this factor did not appear to be important to them.

3. *I felt migration was the only way to improve my economic condition:* This shows that in the perception of the migrants there exist avenues for better employment opportunities in the home country too and that they opted for migration decision because of a kind of demonstration effect by observing relatives or neighbors who may have improved their situation by such stints in the Gulf countries. This is further borne out by point number 10 (PLE) being an important determinant of reason to migrate.

4. *I tried to find alternate sources of work back home but could not.* This again shows the underlying positivity in their mind set regarding their prospects in their home country and their belief that they could have earned a fair livelihood even in their country.

#### **Envisaged Benefits of This Study**

This study assumes importance in view of the crucial role these workers play in ensuring the smooth operation of the economy in the destination country. The benefits that accrue to the sender country are manifold. These include improvement in the incomes and standard of living of the worker, alleviation of poverty, reduction of unemployment and enhancing the foreign exchange earnings which holds the potential for further human capital development through increased expenditure on education and health. The destination country (in this case, Oman) also benefits from cheap labor and the fact that the migrant workers are available for menial tasks or low skilled labor intensive jobs which the nationals are not willing to perform.

The authors believe that this current research can yield a direction setting guidance and tracking mechanism for policy makers, administrators and opinion leaders involved in social, economic and political development of the source countries viz. India, Bangladesh etc as well as Oman and can either validate current government policies or provide useful pointers for future policy initiatives

#### **CONCLUSION**

The discovery of oil and its consequent boom effect has ushered in an era of tremendous growth and development in the Gulf countries and Oman is no exception. This development process has been facilitated by the import of foreign labor on a huge scale and in particular contract labor migration in the semi and low skill areas which the nationals are unwilling to perform. In view of this phenomenon, the current paper seeks to answer the question, "What are the range of underlying factors which compel migrant workers to leave their home countries and come to Oman under temporary labor contracts and often in difficult conditions?" While the benefits that accrue to both the source and destination countries are fairly well known and have been discussed

earlier, what is interesting to examine is the extent of alignment of the underlying factors that lead to worker migration, has with the stated benefits, particularly that of the source country. The author believes that the study results would support policy makers in the source countries viz. India, Bangladesh etc. to initiate suitable policy changes which would support and optimize the benefits arising out of labor migration. The study can also provide useful pointers to Omani policymakers relating to formulating policies which would allow maximum productivity out of existing migrant labor in the country.

A structured questionnaire comprising of 15 key determinants of migration and using a 5 point Likert scale (strongly agree....strongly disagree) was distributed randomly to 105 contract migrant workers in a range of different occupations and a Structured Equation model was used for both identification and examination of factors that are primarily responsible for migration of low skill workers into Oman. The results showed that 11 out of the 15 factors studied were important in influencing the decision of the workers to migrate while the remaining four were not significant.

The research throws considerable light on the factors that are critical in explaining why the contract workers opt for employment in a foreign land for a temporary period, often under uncertain and challenging conditions and throw up important pointers for researchers and policymakers in both the source and destination countries.

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