



The Indian Diaspora in Oman: Migration, Remittances, and Bilateral Relations

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Abstract: This paper explores the role of the Indian diaspora in Oman and its significance for bilateral relations. It argues that migration is an economic phenomenon and a strategic and cultural driver of India–Omani ties. The study examines the historical context of migration, demographic and occupational profiles, financial contributions, challenges faced by workers, and prospects. Key policy recommendations are offered to enhance sustainable and mutually beneficial migration.

Keywords: India, Oman, Migration, Indian Diaspora, Labour Mobility, Remittances, Bilateral Relations

I. Introduction

India and Oman share one of the oldest and most enduring relationships in the Indian Ocean. Centuries of maritime trade, cultural exchanges, and human mobility have created strong links between the two societies. In the contemporary period, migration has emerged as a central pillar of India–Omani relations. With nearly 700,000 Indians living and working in Oman, the Indian diaspora is the Sultanate's largest expatriate community. This presence has contributed significantly to Oman's economic development while shaping India's foreign policy priorities in the Gulf.

The paper argues that migration is not merely a socio-economic phenomenon but also a driver of strategic bilateral relations. Indian workers—from construction labourers and service staff to professionals in medicine, education, and business—play a vital role in Oman's economy. In return, remittances from Oman form a crucial lifeline for many Indian households, especially in Kerala and other southern states. These flows strengthen economic interdependence between the two countries.

However, migration also presents challenges. Issues such as recruitment malpractices, the sponsorship (kafala) system, and the vulnerability of low-skilled workers often create difficulties for migrants. The COVID-19 pandemic further

highlighted the precarity of migrant labour and the urgent need for better governance. At the same time, both India and Oman have made significant efforts to safeguard migrant rights through bilateral agreements, institutional reforms, and humanitarian cooperation during crises.

This research explores the multiple dimensions of India–Omani migration relations. It will examine the historical roots of migration, the present status of the diaspora, their economic contributions, challenges faced by workers, and how migration functions as a diplomatic bridge between the two nations. In doing so, the paper positions migration not only as a matter of labour mobility but as a cornerstone of India–Omani relations in the twenty-first century.

Research Questions

1. How has the Indian diaspora shaped Oman's economy and society?
2. In what ways do remittances and labour mobility influence India–Oman relations?
3. What are the significant challenges in the migration corridor, and how are both countries addressing them?

Methodology

This study employs a qualitative approach based on secondary sources, including academic literature, policy reports, government documents, and media accounts. It also draws on case studies to illustrate how migration has become a strategic dimension of bilateral cooperation.

2. Historical Context of Migration

2.1 Early Maritime Connections

India and Oman's migration history cannot be understood without situating it within the broader Indian Ocean trading system. For centuries, Omani ports such as Muscat, Sohar, and Sur were key nodes in maritime networks that connected the Arabian Peninsula with the western coast of India. Gujarati,



Konkani, and Malabari traders settled in Oman, while Omani merchants frequented Indian ports such as Calicut and Bombay. These exchanges were not limited to commerce but also involved cultural diffusion, intermarriage, and the small-scale movement of artisans and sailors. As a result, Indians have had a presence in Oman long before the modern nation-states of India and Oman emerged.

2.2 Colonial Intersections

These connections were intensified during the colonial period. This created a common imperial space that supported the movement of Indians to the Gulf states and Oman through British control over the Gulf and India. Omani domains frequently received Indian merchants, administrators, and soldiers, and Muscat was the center of an Indian trade in textiles, spices, and pearls. Even in Oman, the British Indian rupee circulated as late as the 1970s, emphasising the financial interconnectedness between the two areas. By this time, many Indian families had permanently settled in Oman, and some still dominate its economy.

2.3 Post-Independence Migration (1947–1970s)

Following Indian independence in 1947, and Oman's eventual modernisation under Sultan Qaboos after 1970, migration entered a new phase. The oil boom of the 1970s generated an unprecedented demand for foreign labour across the Gulf. With its relatively small population, Oman viewed India as a key source of skilled and unskilled workers. Thousands of Indians migrated to Oman to work in construction, healthcare, and education, laying the foundations for the large diaspora community seen today. This phase transformed migration from informal and small-scale exchanges into a structured labour corridor regulated by state policies.

2.4 Continuity and Change in the 21st Century

In the present century, migration has expanded but with new characteristics. While most Indian migrants still occupy low-skilled jobs in construction and services, there has been a growing demand for professionals in medicine, engineering, and the IT sectors. The historical continuity of Indian presence in Oman has created an economically essential and socially embedded community. Yet, the migration pattern remains temporary, as most Indian workers migrate on short-term contracts rather than permanent settlement.

3. The Indian Diaspora in Oman Today

3.1 Demographic Profile

Indians constitute the largest expatriate community in Oman, numbering nearly 700,000 out of a population of around 4.5 million. This means that almost one in every six residents of Oman is of Indian origin. The diaspora is diverse, both regionally and socio-economically. A significant portion comes from Kerala, followed by Andhra Pradesh, Tamil Nadu, and Gujarat, while smaller numbers migrate from northern states such as Uttar Pradesh and Bihar. Regarding occupational distribution, Indians range from low-skilled construction workers and domestic staff to medical, education, banking, and business professionals.

3.2 Geographic Distribution

The Indian community is concentrated in Muscat, where most government offices, companies, and service industries are located. Other hubs include Salalah, Sohar, and Sur, where industrial zones, ports, and infrastructure projects employ many Indian workers. This spread reflects Oman's economic geography—urban and coastal centres attract most migrants, while the interior regions host relatively fewer foreign workers.

3.3 Social and Cultural Life

Despite their temporary status, Indians in Oman have established vibrant social and cultural institutions. Numerous Indian schools, supported by community initiatives and the Indian Embassy, cater to the educational needs of expatriate children. Community organisations and cultural associations celebrate Indian festivals such as Diwali, Onam, and Eid, reinforcing cultural identity and transnational belonging. Religious diversity within the diaspora is reflected in Hindu temples, churches, and mosques used by Indian expatriates. Such institutions not only provide cultural continuity but also act as support networks in times of crisis.

3.4 Economic Roles

The Indian workforce is integral to Oman's economy. Low-skilled workers dominate the construction, transport, and service sectors, contributing to Oman's rapid urbanisation and infrastructure development. At the same time, Indian professionals form the backbone of Oman's healthcare and education systems. Doctors, nurses, teachers, and engineers are widely employed and highly respected, with many holding senior positions. Indian entrepreneurs have also established small and medium-sized businesses, particularly in retail, hospitality, and trading, further strengthening the bilateral economic relationship.



3.5 Social Perceptions and Integration

Omani society views Indians positively, partly due to the historical familiarity between the two communities. Indians are often seen as hardworking, reliable, and culturally adaptable. However, migration's temporary and contractual nature prevents full integration, as most Indians remain on work permits without pathways to permanent residency or citizenship. This dual reality—acceptance and reliance on one hand, and legal precarity on the other—defines the lived experiences of the diaspora.

4. Economic Contributions

4.1 Remittances to India

One of the most visible contributions of the Indian diaspora in Oman is the steady flow of remittances to India. Every year, Indian workers in Oman send billions of dollars home, making Oman a key remittance corridor for states such as Kerala, Andhra Pradesh, and Uttar Pradesh. For many families in rural India, these funds are a source of daily sustenance and an investment in education, healthcare, housing, and small businesses. Beyond individual households, remittances also contribute to India's foreign exchange reserves, helping to stabilise its economy. Thus, the financial flows generated by Indian migrants in Oman extend their impact well beyond the bilateral sphere.

4.2 Support for Oman's Development

Indian workers have played a central role in Oman's modernisation, particularly since the 1970s oil boom. Construction labourers built the country's highways, ports, airports, and residential complexes, while Indian engineers and managers have contributed to Oman's industrialisation. In the service sector, Indians dominate hotels, restaurants, and retail businesses, ensuring the smooth functioning of Oman's urban economy. This dual contribution—low-skilled labour for infrastructure and skilled expertise for services—makes the Indian community indispensable for Oman's economic growth.

4.3 Professional and Knowledge Transfer

Beyond remittances and physical labour, Indian professionals contribute to Oman through knowledge transfer. Thousands of doctors, nurses, and teachers are employed across the Sultanate, providing essential services while training and mentoring Omani citizens. In healthcare, Indian medical professionals are particularly valued, often forming the majority in public and private hospitals. In education, Indian teachers serve the expatriate

community and play a role in Omani institutions, thereby strengthening human capital development.

4.4 Entrepreneurship and Trade

Indian entrepreneurs from Gujarat and Kerala have established small and medium-sized enterprises in Oman. These ventures span retail, logistics, hospitality, and manufacturing, generating employment opportunities for Omanis and expatriates. Many long-established Indian business families have built deep trust with Omani partners, creating enduring commerce networks. Such entrepreneurship strengthens bilateral trade relations, as Indian businesses often act as bridges for importing Indian goods into Oman and vice versa.

4.5 Case Study: Indian Medical Professionals in Oman

The healthcare sector illustrates the multi-dimensional contributions of the diaspora. Indian doctors and nurses form the backbone of Oman's medical services, particularly in rural areas where shortages of local professionals persist. Their role became especially prominent during the COVID-19 pandemic, when Indian medical staff worked on the frontlines to support Oman's public health system. This case underlines how migration extends beyond economics into the domain of social welfare and humanitarian resilience.

4.6 Beyond Economics: Social and Cultural Spillovers

The economic contributions of Indian migrants also spill over into cultural diplomacy. The financial security of the diaspora enables them to organise cultural festivals, sponsor community schools, and engage in charitable activities. Such initiatives improve the well-being of expatriates and strengthen people-to-people ties between Indians and Omanis. These cultural exchanges help sustain the long-standing goodwill that underpins the bilateral relationship.

5. Challenges in Migration

5.1 Labour Rights and the Kafala System

Despite their economic importance, Indian workers in Oman often face vulnerabilities rooted in the sponsorship (kafala) system. Under this arrangement, a worker's legal status is tied to their employer, limiting their ability to change jobs or leave the country without permission. While Oman has introduced reforms to relax these restrictions, implementation remains uneven, particularly for low-skilled labourers. This dependency creates an



imbalance of power that leaves many migrants exposed to exploitation, wage delays, or contract violations.

5.2 Recruitment Malpractices

The migration process begins with recruitment, which is often marred by high costs and irregular practices. Many Indian workers borrow large sums of money to pay recruitment agents, entering Oman with significant debts. In some cases, workers discover that the terms of employment differ from what was promised, a situation referred to as “contract substitution.” Such malpractices not only trap workers in cycles of debt but also undermine trust in the migration system.

5.3 Working and Living Conditions

Low-skilled workers often face harsh working conditions, particularly in construction and domestic work. Long hours, inadequate housing, and limited access to healthcare are common challenges. Domestic workers, many of them women, are especially vulnerable as they live in private households where oversight is minimal. Though Oman has introduced labour welfare measures, enforcement remains inconsistent, and many workers hesitate to report grievances for fear of retaliation.

5.4 Limited Social Integration

While Indians enjoy a generally positive reputation in Omani society, their integration remains constrained by legal and cultural boundaries. The vast majority of Indians in Oman are on temporary contracts with no pathway to permanent residency or citizenship. This transient status prevents deeper integration and reinforces a sense of impermanence, even for those who have spent decades in the country.

5.5 The Impact of the COVID-19 Pandemic

The COVID-19 crisis exposed the fragility of migrant labour systems in the Gulf. Many Indian workers in Oman lost jobs or faced wage reductions due to economic slowdowns. Repatriation flights under India’s Vande Bharat Mission brought thousands of Indians home, but often at significant personal and financial cost. The pandemic highlighted structural vulnerabilities: dependence on a single host country, lack of adequate social protection, and the precarious nature of low-skilled employment. At the same time, it also demonstrated the resilience of Indian professionals, particularly in healthcare, who played a critical role in Oman’s pandemic response.

5.6 Balancing Omanisation with Migrant Needs

Oman’s policy of Omanisation—increasing employment opportunities for nationals—poses another challenge for Indian workers. While the policy is understandable from the national development perspective, it has led to restrictions in specific sectors traditionally employing large numbers of Indians. This creates uncertainty for both workers and Indian businesses operating in Oman. Balancing Oman’s economic diversification goals with the continued demand for Indian labour remains a delicate policy issue.

6. Migration as a Driver of Bilateral Relations

6.1 Migration as a Pillar of India–Oman Ties

Migration is not merely a social or economic phenomenon but a central element in the diplomatic engagement between India and Oman. The large Indian diaspora gives both countries strong incentives to maintain close relations. For India, the welfare of its citizens abroad is a critical foreign policy concern. For Oman, access to a reliable and skilled labour force from India is essential for sustaining economic growth. This mutual dependency has elevated migration into a strategic pillar of bilateral ties.

6.2 Bilateral Agreements and Labour Cooperation

Over the decades, India and Oman have institutionalised cooperation through Memoranda of Understanding (MoUs) and bilateral agreements. These cover recruitment practices, dispute resolution mechanisms, and protection of migrant rights. For example, agreements have sought to regulate recruitment agencies to prevent exploitation and ensure workers receive fair contracts. Such frameworks highlight the role of diplomacy in shaping labour governance.

6.3 Crisis Management and Humanitarian Cooperation

Migration also influences bilateral relations during periods of crisis. During the Gulf Wars of 1990–91 and 2003, India’s evacuation of nationals from the region highlighted the importance of diaspora protection. More recently, during the COVID-19 pandemic, Oman worked closely with the Indian government to facilitate repatriation flights under the Vande Bharat Mission. At the same time, Indian medical professionals in Oman contributed significantly to the host country’s pandemic response, reinforcing the perception of Indians as partners in national resilience.



6.4 Oman's Balanced Foreign Policy and India's Strategic Interests

Oman occupies a unique position in the Gulf due to its neutrality and balanced diplomatic tradition. This complements India's own pursuit of strategic autonomy. The presence of a sizeable Indian diaspora strengthens these complementarities by ensuring that both countries have a substantial stake in maintaining stable and cooperative relations. Migration thus becomes not only a people-to-people bridge but also a diplomatic asset that aligns with broader strategic interests in the Indian Ocean region.

6.5 Migration Diplomacy and Soft Power

Indian migrants also serve as carriers of soft power. Through cultural associations, community schools, and diaspora philanthropy, Indians in Oman project a positive image of India. These initiatives foster goodwill at the societal level, complementing formal diplomacy. The Indian diaspora's visibility and reputation for reliability enhance India's influence in Oman, making migration a subtle but powerful foreign policy tool.

6.6 Institutional Support and Embassy Role

The Indian Embassy in Muscat is proactive in safeguarding migrant rights and engaging with the diaspora. Regular community outreach, grievance redressal mechanisms, and legal aid services have improved the welfare of Indian workers. These initiatives also strengthen trust between the diaspora and the Indian state, ensuring that migration governance remains an active component of bilateral diplomacy.

7. Future Prospects and Policy Recommendations

7.1 Towards a Sustainable Migration Framework

As India and Oman continue to evolve on the economic transformation front, there is an increased need to develop a sustainable and mutually beneficial framework for migration. On its part, India needs to keep its workers safe from exploitative recruitment, and Oman needs to balance its Omanisation policies with the steady demand for skilled and semi-skilled labor from India. A better organised system of labour mobility (relying on transparency, digitalisation, and monitoring) can increase trust between workers and employers and between states.

7.2 Digitalisation of Recruitment

Digital platforms can reduce exploitation by limiting the role of unscrupulous intermediaries. India's eMigrate system, which regulates recruitment agencies and maintains a digital contracts database,

should be expanded in collaboration with Omani authorities. Joint monitoring of employment contracts and grievance redressal through online portals can make the migration process more efficient and accountable.

7.3 Skills Development and Alignment with Oman's Needs.

Oman's Vision 2040 emphasises economic diversification, focusing on logistics, manufacturing, healthcare, tourism, and renewable energy. India can align its skill-development programs to meet these emerging demands. By training workers in renewable energy technology, IT services, and advanced healthcare, India can ensure that its diaspora remains competitive and relevant to Oman's evolving labour market.

7.4 Expanding Cooperation in New Sectors

Beyond traditional labour migration, there are opportunities for India and Oman to cooperate in high-value sectors. Collaboration in green hydrogen, renewable energy, and the digital economy can create new avenues for Indian professionals and entrepreneurs. Educational partnerships—such as exchange programs and joint research initiatives—can also strengthen human capital development in both countries.

7.5 Strengthening Legal and Social Protection

7.6 Diaspora as Cultural and Strategic Bridge

Policy efforts should focus on enhancing the legal and social protection of migrant workers. This includes ensuring timely payment of wages, better housing conditions, access to healthcare, and legal aid in cases of disputes. Special attention must be given to vulnerable groups such as domestic workers, who remain outside the scope of many labour laws. Bilateral agreements should include specific clauses for monitoring and enforcement to prevent exploitation.

7.6 Diaspora as Cultural and Strategic Bridge

The Indian diaspora in Oman should be viewed as an economic resource and a cultural and strategic bridge. Community organisations, cultural festivals, and diaspora philanthropy can be further supported to enhance people-to-people connections. A stronger cultural diplomacy strategy, rooted in India's historical ties with Oman, would reinforce soft power and create goodwill beyond labour relations.



7.7 Leveraging Diaspora for Cultural Diplomacy

The Indian diaspora should be recognised as a bridge of cultural diplomacy. Encouraging diaspora-led cultural events, knowledge-sharing forums, and philanthropic initiatives would strengthen India's soft power in Oman. Both governments can institutionalise an India–Oman Diaspora Forum to channel community contributions into bilateral projects, ranging from education to healthcare.

7.8 Building a Comprehensive Social Security Framework

To make migration sustainable, India and Oman should explore the creation of a portable social security scheme. Such a scheme would ensure migrants retain pension, insurance, and savings benefits even after returning to India. This would make migration economically beneficial and socially secure, reducing vulnerabilities during crises such as the COVID-19 pandemic.

8. Conclusion

Migration has been a defining feature of India–Omani relations, transforming centuries-old maritime and cultural linkages into a modern partnership built on people-to-people ties. The Indian diaspora in Oman contributes significantly to the host country's economy while simultaneously sustaining millions of households in India through remittances. However, the migration system faces structural challenges, including recruitment malpractices, labour rights violations, and uncertainties arising from Omanisation and global crises.

This paper has argued that migration is not merely a labour issue but a strategic driver of bilateral relations. It strengthens economic interdependence, shapes diplomatic engagement, and bridges cultural and political goodwill. Looking ahead, the sustainability of this partnership depends on forward-looking policies that prioritise ethical recruitment, skill development, legal protection, and expanded cooperation in new sectors such as renewable energy and digital innovation.

By addressing these challenges and opportunities, India and Oman can transform their migration corridor into an ethical, mutually beneficial, and future-oriented cooperation model. The Indian diaspora, far from being a passive labour force, emerges as a vital actor in shaping the contours of bilateral relations in the twenty-first century.

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