



Gulf Research Center Foundation
Knowledge for All

First Gulf Research Meeting 2010

Workshop

The Impact of Migration on Gulf Development and Stability

Directors

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Description

Gulf States have the highest proportion of migrant workers in the world. Conversely, global migrants see the Gulf States as a major magnet, the third largest in the world after the European Union and North America. By contrast with its overwhelming importance for economies and societies, migration to Gulf States is under-documented and under-researched and the Gulf does not have the place it would deserve in migration studies. The main goal of this workshop will be to gather international expertise on migration to the Gulf with the aim of addressing the impact of migration on Gulf development and stability. Another aim will be to start building the Gulf migration studies community. A by-product of the workshop may be an edited volume. The workshop will be multidisciplinary and open to all the disciplines that are relevant to migration studies, such as political science, economics, demography, law, contemporary history, sociology.

Migration and the international mobility of labour have made the Gulf States a unique part of the world. Nowhere as in GCC countries are local indigenous populations a minority of inhabitants; nowhere else do majorities consist in migrants with temporary residency, no access to citizenship and limited membership in society. Nowhere else are labour markets so highly dependent upon the international recruitment of the workforce. There has been until now three successive stages of migration to the Gulf, and a fourth stage may well be opened in the wake of the economic crisis started in 2008.

Table 1: Migrants in GCC countries, 1990-2005

Country	Population mid-2005	Migrants mid-2005		Change 1990-2005	
		Absolute numbers (thousands)	In % of Population	Absolute numbers	Relative change %
Bahrain	727	295,5	40,6	122,3	70,6
Kuwait	2.687	1.669,0	62,1	117,7	7,6
Oman	2.567	627,6	24,4	175,4	38,8
Qatar	813	636,8	78,3	266,9	72,2
Saudi Arabia	24.573	6.360,7	25,9	1.617,7	34,1
U. A. Emirates	4.496	3.211,7	71,4	1.881,4	141,4
Total	35.863	12.801,3	35,7	4.181,4	48,5

Source: UN Population Division, <http://esa.un.org/unpp/>

From World War II to the October 1973 War: founding the welfare state

From World War II to the October 1973 War, the Gulf States went through a process of wealth accumulation. Rising demand for oil in the world economy matched by rising supply from the Gulf translated into rising oil 'rent'. High income was transformed into material welfare for natives through the recruitment of foreign workers that would produce national wealth while allowing nationals to largely stand out of the labour market.

The demand for manpower was then commensurate with the potential supply from the Arab Middle East, which became typically divided between two sorts of countries: those with human capital and population surpluses and those with oil and financial capital surpluses. Labour migration from population-rich to capital-rich Arab countries was regarded by Pan-Arabism as the best way to cross-fertilise the two disconnected assets of the Arab world, i.e. population and capital. Migration was viewed as a strategy to build the Arab nation.

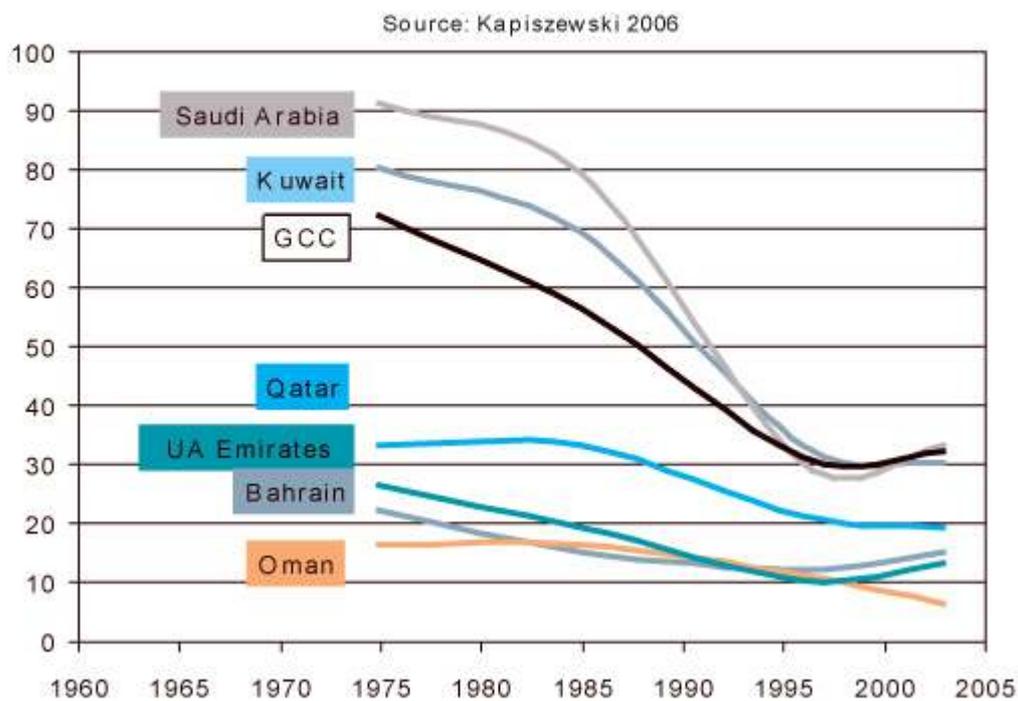
From the war of October 1973 to the first Gulf war: building the post-oil economy

The war of October 1973 opened a second stage of migration to the Gulf. With oil prices soaring, Gulf rulers could launch ambitious programmes of economic construction. A new economic culture emerged and governments understood that oil wealth is transient and must be used to build a strong post-oil economy. They started to construct large-scale modern infrastructures and plants. Because the ultimate goal was to adapt to the local reality - a weak demography combined with a strong wish to preserve identity - mobilising capital was the objective, not creating permanent employment. Capital-intensive rather than labour-intensive industries were chosen.

The construction of infrastructures and plants, however, created large numbers of short-term jobs. Gulf governments opted for turnkey plants ordered to foreign societies that would hire themselves their workers abroad. Asians started to outnumber Arab workers. According to some scholars, substituting Asians to Arabs was also a means to address political concerns: because Arab migrants share a language and a culture with the local society, they are more susceptible than Asians to voice and to defend their workers' interests. This would have clashed with Gulf rulers' strategy of importing labour while avoiding the formation of a working class.

Dual societies were gradually born, in which nationals and foreigners were separated de facto (e.g. world lowest levels of economic activity among nationals vs. world highest among non-nationals) as well as de jure (e.g. the obligation for every foreigner to have a local sponsor). During this second, stage migration became the most popular topic among Arab social scientists. The debate was then revolving around issues of regional integration and whether migration reduces or accentuates economic inequalities between countries, and around issues of identity and whether Asian migration would make Arabs a minority in the richest part of their nation and therefore challenge the ideal of that nation.

Graph 1: Percentage of Arabs among immigrant populations in GCC countries, 1975-2003



From the first Gulf war to the present day: constructing the social link

A third stage started with the 1990-1991 Gulf War and is characterized by the will to construct society, beyond economy. It was triggered by Kuwait being invaded from outside, poorly defended from inside and eventually rescued by an external coalition. The war had an immediate impact on migration as it resulted in three million legal immigrants forced to leave their host countries. Several Arab communities were particularly targeted: Palestinians in Kuwait, Egyptians in Iraq and Yemenis in Saudi Arabia, for the reason that they bore the wrong nationality and found themselves residing in what had become overnight the opposite camp.

Political lessons were also drawn. The war was an occasion for major oil countries to reassess their vision of labour and to adopt policies of ‘gulfization’ of the workforce. The context was the economic crisis that followed the Gulf war. Not only it had not produced any escalation in oil prices comparable to that of October 1973, but the reconstruction bill was astronomical and to be paid with cheap oil. For the first time, young nationals in the Gulf found themselves confronted with a drop in purchasing power and the emergence of unemployment. Immigrants started to be viewed as competitors and indigenising employment became a stake. One after the other, Gulf States adopted gulfization policies along two lines: on one side, reducing the supply of migrant workforce by reinforcing barriers at entry and stay, and on the other limiting the demand for migrant workers by expanding the list of jobs kept for nationals and taxing employers who hire non-nationals.

Gulfization policies have had mitigated results and labour markets dependency on migrant workers is still at its peak.

More importantly, the whole conception of labour was altered by the crisis of 1990-1991. At the time of the first oil boom in the 1970s, labour was intended at transforming oil income into welfare and wealth for nationals; work itself was left to non-nationals and its benefits transferred to nationals through welfare packages and the sponsorship system. With the 1990-1991 crisis, the vulnerability of societies dependent upon labour imports became patent and a process of political reappraisal of labour started. Labour should now be national and oil revenues be transformed into job creation and wages for nationals in order to serve the social contract and the political link.

Table 2: Percentage of non-nationals in the population and labour force of GCC countries, 2000

Country	Population	Labour force
Bahrain	40.0	61.9
Kuwait	64.9	81.3
Oman	22.7	64.3
Qatar	73.7	81.6
Saudi Arabia	25.4	55.8
UAE	75.7	89.8
GCC	34.9	70.0

Source: Shah 2006

Will the global economic crisis engender a downswing in migration to the Gulf? It is too early to know whether the financial and economic crisis started in 2008 will have opened a fourth stage of migration to the Gulf, likely to be characterised by migration flows on the ebb. Indeed, GCC countries are doubly hit: as oil exporters by the fall in oil prices and as investors on global money markets by the fall in finance and banking. The economic crisis may exacerbate unemployment – among migrants as well as among nationals – and put into question the sustainability of a migration-driven pattern of growth, a situation to which governments could respond by tightening measures for keeping employment for nationals.

However, one has to consider that the current global financial crisis arrives in Gulf States after several years of unprecedented financial accumulation. Not only did oil prices soar up from 2006 to mid-2008, but post 9/11 Gulf investments were partly redirected to the Arab region in reaction to the United States blocking many Arab assets in American banks as a measure to counter global terrorism. On one side the crisis may rapidly translate into a reduction of migrant workers' employment but, on the other side, it comes after two years of spectacular boom during which long-term projects employing migrant workers were launched, and after more than a decade of failing policies to indigenise the workforce.

Other developments are susceptible to produce other changes in migration to the Gulf. A rising demand for highly skilled people that local supply may not match – for lack of the adequate skills or because of insufficient numbers of highly skilled nationals – will increasingly expose the Gulf to what has become a global competition for talents. Contrary to low-skilled workers who will still be needed (even though in smaller numbers) in the construction sector or in domestic services and whose

potential supply can be considered unlimited, high level professionals needed for ambitious programmes, such as the creation of world-class universities, remain a scarce resource worldwide. Their recruitment may put to the test Gulf labour markets' competitiveness in attracting the best and brightest. In addition, the rise of global advocacy for migrants' rights may have an increasing bearing on migrants' choice of a destination.

Finally, local, social developments may play a role and curb decades-old patterns of migration to the Gulf. A rising competition (whether real or imagined) between nationals and migrants, or mounting movements of protest by migrant workers claiming their rights, may foster anti-immigration reactions and eventually affect stability.

Papers

- "Demographic Transitions and Imbalances in the GCC: Security Risks, Constraints and Policy Challenges" by Baqer S. Al Najjar (co-author: Andy Spiess)
- "Identifying Patterns of National Hierarchies among Expatriates in the United Arab Emirates" by Noora Lori
- "Divided Communities: Migrants in the UAE" by Jane Bristol Rhys
- "The Makers of Wonders: A Study Case of Expatriates in Dubai" by George Naufal
- "Legal Regulation of Migrant Workers and National Identity in Qatar and the UAE" by David Mednicoff
- "Migrants in Qatar: Some Micro-Level Evidence" by Ganesh Seshan
- "Omanization and its Impacts on the Migrant Communities in the Sultanate of Oman" by Mojca Zerovec
- "The Expatriate Workers in the Gulf Corporation Council (GCC), the Challenge for Change" by Abulnadi Alekry
- "Migration and national identity in Saudi Arabia" by Helene Thiollet
- "Migration policies in Saudi Arabia" by Philipp Dehne
- "Wahhabisation or Egyptianization? Migration and Reciprocal Religious Influences across the Red Sea" by Lucile Gruntz
- "Visibility and (In) visibility of Migrant Domestic Workers in the Rise and Fall of a Model (Dubai) of a Gulf Global Economy" by Rima Sabban
- "Cheap and Compliant: The Governance of Ethiopian Women Domestic Workers' Labour Migration to GCC Countries" by Bina Fernandez