Migration and the Gulf

The Middle East Institute
Washington, DC

February 2010
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# Migration and the Gulf

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The flow of ideas, people, and commerce across national boundaries has been occurring with breathtaking rapidity in the broader Middle East, as elsewhere. These increasingly dense exchanges have generated new threats and vulnerabilities that have tended to impact women, children, and the poorest members of society disproportionately. At the same time, however, they have given people more resources and opportunities with which to shape their lives and their futures.

The Middle East Institute (MEI) Crossing Borders 2010-2011 project focuses on four subjects that are of vital importance to the region’s future — migration, education, health, and environment. As numerous studies have found, this future depends greatly on correcting labor market gaps and imbalances; broadening the access to and improving the quality of education and basic health care; and taking better stewardship of the physical environment, especially regarding the management of water resources. Over the next two years, MEI Viewpoints will explore each of these four subjects in depth.

This collection of essays is the first of three volumes devoted to Migration and the Arab World. The 19 authors whose essays appear in this first volume address several salient questions: What are the sizes and characteristics of the non-national workforces of the Gulf Cooperation Council (GCC) countries? Which “push” and “pull” factors have driven and continue to drive this phenomenon? What effects has labor migration had on the sending and receiving countries, and on the migrants themselves? What lessons or tentative conclusions can be drawn from the policies and practices of sending and receiving countries? Through the discussion of these and other questions, the contours of the future — and future impact — of labor and migration in the Middle East begin to emerge. Their precise features will decisively shape the region’s unique economic, political, and national destinies.
I. Patterns and Profiles
Labor Migration to the GCC States: Patterns, Scale, and Policies

Onn Winckler

“In some areas of the Gulf, you can’t tell whether you are in an Arab Muslim country or in an Asian district.”
— Majeed al-Alawi, Bahrain Minister of Labor (October 2007)

In recent years, international labor migration has become a top socioeconomic and political issue worldwide. This increasing interest lies not only in the steady spread of the phenomenon and its pivotal role in the development of an increasing number of advanced industrialized countries, but mainly in the labor migrants “taking control” in the form of becoming a majority of the population in many residential areas in developed countries.

In the post-WW II era, there have been four main international labor migration patterns:

**International migration as a basic tool for nation building.** In the English-speaking developed countries such as the United States, Canada, and Australia, the process of state building itself was based on large-scale migration. Hence, the labor immigration policy of these countries is a function of labor market needs, and in most cases, the migration process ends with the migrant laborers becoming citizens of the host country.

**Temporary labor migration to the “nation-state” developed countries.** This pattern, which was and still is considered a “no choice option,” is the result of the labor shortage and population aging phenomena present primarily in the more developed European Union (EU) countries. These countries have tried to minimize the scale of labor immigration as much as possible in order to preserve their basic cultural-religious nature. Hence, their labor immigration policy is based on the Ricardian model of international trade. However, since these countries are democracies, in many cases the labor migrants have succeeded in becoming citizens of the host countries. The end result is that the percentage of migrants and their offspring is steadily increasing. This is the case, for example, in France, the United Kingdom, Belgium, Germany, the Netherlands, etc.

**A total ban on labor migration.** The leading country in this small group is Japan, which historically has treated labor immigration as a threat to its basic cultural-religious traditions and thus prevented it almost totally.

**The unique GCC rentier labor migration pattern.** Although labor migration within the Arab region is not a new phenomenon — it already had started in the late 1930s, following the discovery of oil in the Gulf area — the scale of labor migration to the Gulf oil states was relatively small, estimated in the early 1970s to be between 800,000 and 1.25 million (including both workers and their accompanying family members).

The unprecedented scale of development projects of the GCC countries following the October 1973 “oil boom” led to an extremely rapid increase in the demand for foreign
Winckler...

labor, as the GCC national workforces at that time were too small and without the required skills to execute these projects. Hence, while the short-term solution for the labor shortage was recruiting migrant labor, the longer term solution was the implementation of a pro-natalist policy (in order to maintain high fertility rates) along with a huge investment in education and vocational training in order to supply the necessary workforce from local sources.

It should be emphasized, however, that the Gulf royal families never considered addressing the labor shortage through mass naturalization of foreign labor due to the fear that mass naturalization would destroy the GCC states’ basic socio-political nature, which is based on a combined kinship and tribal system. An additional reason for this was the large resistance of the local populations, which perceived massive naturalization as a threat to their traditional cultural-religious values.

Hence, during the bonanza “oil decade” (1973-1982), the number of foreign laborers in the GCC countries rapidly increased, amounting to almost 4.4 million in 1985, a more than three-fold increase within a single decade. The total number of the foreign population was much higher, since many of the foreign workers, particularly the Arabs, were accompanied by their family members.

The surge in both oil prices and production scale on the one hand, and the small national populations on the other, transformed the GCC countries within a short period of time into pure “rentier states,” with oil revenues amounting to 80% (and in some cases even higher) of the total governmental revenues. A major tool for distributing the oil income to the indigenous populations was through public sector employment with high salaries and luxury work conditions. Hence, the political implication of the rentier state was “no taxation and no representation.” The end result was the creation of a dual labor market with nationals employed almost exclusively in the public sector while the vast majority of the foreign workers were employed in the private sector.

In the mid-1980s, following the end of the “oil decade,” there was a widespread feeling that the process of rapid increase in the number of foreign laborers in the GCC countries had ended, and that from that point on, their numbers would steadily diminish. This feeling was based on the sharp decline of oil revenues and the completion of the major infrastructure projects. In addition, the indigenous workforces grew rapidly due to the accelerated population growth rates, along with a sharp improvement in its quality as a result of the huge investments in education and vocational training.

In retrospect, however, during the second half of the 1980s and throughout the 1990s, the number of foreign laborers in all of the GCC countries sharply increased, despite the implementation of labor nationalization policies to replace the foreign laborers with national workers in both the public and the private sector. By 1999, the number of foreign workers in the GCC countries totaled 7.1 million, representing almost 70% of the total GCC workforce and an increase of more than 60% compared to their number in 1985.

The steady increase in the number of foreign laborers is the result of a combination of liberal labor immigration policies and lax enforcement of labor regulations ...

1. The term “rent” refers to income driven not from work, but mainly from natural resources and foreign grants. The term “rentier state” refers to a situation in which the rental revenues predominate the governmental income, thus eliminating the need to tax the population.
Hence, although during the 1980s and 1990s, all of the GCC authorities repeatedly expressed their intention to implement labor force nationalization, in practice not much has been done. The former labor structure dichotomy of nationals employed by the public sector and foreign labor predominance in private sector employment remained in force. The only substantial change was the massive replacement of Arab foreign workers by nationals in the public sector. However, due to the rapid increase in the indigenous workforces on the one hand, and the diminishing oil revenues in per capita terms on the other, the number of available work opportunities for nationals in the public sector had become insufficient. The end result was a rapid increase of unemployment among nationals from barely 1% in the late 1980s to between 15% and 20% in the early 2000s — similar to the unemployment level in the non-oil Arab countries.

Moreover, the *kafala* (sponsorship) system\(^2\) produced a unique situation in which nationals could earn money strictly by virtue of their nationality. An estimated 600,000 foreign workers in the United Arab Emirates (UAE) obtained work permits in this manner. A similar phenomenon prevailed in the other five GCC countries as well. Many of the GCC foreign workers are not crucial for running the economy. In the case of the UAE, for example, domestic servants represent as much as 5% of the total population! As the number of domestic servants one has is a status symbol, in many cases their number is higher than the number of the family members!

In recent years, the GCC authorities have realized that the large-scale replacement of foreigners by nationals in the private sector is not a viable option. The wage gaps, as well as the *rentier* socio-political formula, prevent it. In order to avoid “employment catastrophe,” they have shifted their labor force policy from decreasing dependence on foreign labor to creating job opportunities for nationals in the private sector by using massive amounts of cheap foreign labor, mainly from Southeast Asia. They thereby hope to achieve two major goals: decreasing unemployment among nationals and economic diversification away from oil production to the greatest extent possible.

Thus, in recent years, although the number of nationals employed by the private sector is steadily increasing, the number of foreign laborers is increasing much faster, amounting to 10.6 million in 2008. This represents an increase of almost 50% compared to their number in 1999.

### Nationals and Expatriates in the GCC Labor Forces, 1975-2008 (’000)

![Diagram showing nationals and foreigners in the GCC labor forces, 1975-2008](image)

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2. According to the *kafala* system, a foreigner was not allowed to work in the GCC countries without local sponsorship (*kafil*). Once the employment relationship is broken, foreign workers become illegal residents, and must immediately leave the country.
<table>
<thead>
<tr>
<th>Country</th>
<th>Nationals</th>
<th>Foreigners</th>
<th>Total</th>
<th>% Foreigners</th>
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<td>1,027</td>
<td>773</td>
<td>1,800</td>
<td>42.9</td>
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<tr>
<td>Kuwait</td>
<td>92</td>
<td>213</td>
<td>305</td>
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<tr>
<td>Bahrain</td>
<td>46</td>
<td>30</td>
<td>76</td>
<td>39.5</td>
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<td>Oman</td>
<td>137</td>
<td>71</td>
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<td>Qatar</td>
<td>13</td>
<td>54</td>
<td>67</td>
<td>80.6</td>
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<tr>
<td>UAE</td>
<td>45</td>
<td>252</td>
<td>297</td>
<td>84.8</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>1,360</strong></td>
<td><strong>1,393</strong></td>
<td><strong>2,753</strong></td>
<td><strong>50.6</strong></td>
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<td>73</td>
<td>101</td>
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<td>Oman (a)</td>
<td>167</td>
<td>300</td>
<td>467</td>
<td>64.2</td>
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<td>Qatar</td>
<td>18</td>
<td>156</td>
<td>174</td>
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<td>UAE</td>
<td>72</td>
<td>612</td>
<td>684</td>
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<th>Total</th>
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<td>442</td>
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<td>70.0</td>
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<td>Qatar</td>
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<td>230</td>
<td>251</td>
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<td>UAE</td>
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<td>805</td>
<td>901</td>
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<td><strong>5,218</strong></td>
<td><strong>7,703</strong></td>
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<table>
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<th>Foreigners</th>
<th>Total</th>
<th>% Foreigners</th>
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<td>1,005</td>
<td>1,226</td>
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<td>Bahrain</td>
<td>113</td>
<td>194</td>
<td>307</td>
<td>63.2</td>
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<td>Oman</td>
<td>312</td>
<td>503</td>
<td>815</td>
<td>61.7</td>
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<tr>
<td>Qatar (b)</td>
<td>36</td>
<td>244</td>
<td>280</td>
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<tr>
<td>UAE (b)</td>
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<td>1,289</td>
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<td><strong>11,093</strong></td>
<td><strong>64.1</strong></td>
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<th>Foreigners</th>
<th>Total</th>
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<td>4,280</td>
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<td>374</td>
<td>795</td>
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<td>68.0</td>
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<td>Qatar (c)</td>
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<td>766</td>
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<td>92.5</td>
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<td><strong>10,647</strong></td>
<td><strong>16,293</strong></td>
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(a) Data relate to 1986.
(b) Data relate to 1997.
(c) Data relate to October 2007.
Several waves of Sri Lankan migration have taken place since the country gained independence in 1948. Beginning in the mid-1950s, wealthy, educated, English-speaking elites have migrated to Commonwealth countries such as Australia and the United Kingdom. In addition, since the upsurge in ethnic hostilities in the early 1980s, Tamil-speaking Hindu migrants have left the country, with many settling in Canada. In contrast with these permanent migrants, since 1976 a growing number of Sri Lankans have become migrant workers. The leading destination for this migrant labor force — the majority of whom are women — has been the Gulf.

THE SCALE AND COMPOSITION OF SRI LANKAN LABOR MIGRANTS

In 2003, the Sri Lankan Bureau of Foreign Employment (SLBFE), the main administrative body regulating labor migration, estimated that 1,003,600 Sri Lankans worked abroad. By 2008, this number had increased to 1,792,368, or 9% of the island’s 20 million people. From the late 1980s until as recently as 2007, women made up the majority of these labor migrants. They accounted for 75% of the migrant flow in the mid-1990s, and by 2008 declined to a little under 50%. Of the migrant women, 88% went to work as housemaids. In much of the global North, such migrant transnational domestic workers meet the needs of the global “care deficit,” reflecting a global trend in outsourcing domestic labor to women from less developed countries. In contrast, transnational domestic servants in the Middle East free their sponsors for leisure, supporting a socially significant lifestyle.

In recent years, Sri Lankan officials have actively encouraged male migration. The male guest workers fill more diverse roles, with skilled and unskilled laborers making up roughly equal percentages of the male migrants (42% and 41% respectively in 2008).

MAIN DESTINATION COUNTRIES

Most Sri Lankan migrants (92%), both male and female, journey to the Gulf, with four countries (Saudi Arabia, the UAE, Kuwait, and Qatar) absorbing over 80% of Sri Lanka’s workers. In the Gulf, Sri Lankan women share the market for migrant domestic workers with women from Indonesia, the Philippines, and several other countries. Racial, ethnic, religious, and national stereotypes predetermine wages. For example, in the UAE in 2004, housemaids from the Philippines were paid more than those from Indonesia, Sri Lanka, Ethiopia, and Bangladesh, in that order.

Most Sri Lankan housemaids go abroad on two-year contracts and live in their employers’ residences. Live-in housemaids have less autonomy and lower salaries than women.


2. In Sri Lanka, domestic servants are often referred to as “housemaids” in both English and Sinhala. These migrant women’s duties often exceed the narrow technical limits of the term.

Gamburd...

with part-time or live-out arrangements. The isolation of the work situation can lead to abuse and exploitation.

Domestic workers’ legal protections vary from country to country. In many Gulf Cooperation Council (GCC) countries, labor laws cover male laborers but do not protect household workers. Labor regulations do apply to foreign domestic servants working in other areas in Asia, the European Union, and the United States, but may not be enforced against middle- and upper-class employers.

SRI LANKAN SOJOURNERS AS TEMPORARY MIGRANTS IN THE GULF

Guest workers form a crucial aspect of local economies in the Gulf. Overall, foreigners make up an estimated 37-43% of the population of the GCC countries and constitute 70% of the workforce, with workforce numbers rising significantly higher in the UAE (90%), Kuwait (82%), and Qatar (90%). Most GCC countries have a de facto dual economy, with well paid, non-strenuous public-sector jobs created for “nationals” and poorly paid, difficult, low-status, private sector jobs performed by foreigners.

The high percentage of guest workers worries government officials. Accordingly, governments have legislated to minimize the perceived threat. Restrictions on length of stay, strict regulations about changing jobs, hurdles imposed by the sponsorship system, difficult-to-meet criteria for bringing in family members, the inability to own land and businesses, the near-impossibility of obtaining citizenship, and the absence of legal rights all work to keep guest workers’ stays short, temporary, or informal. Although Sri Lankans migrate to Australia, Canada, and the UK with plans to settle there, most sojourners in the Gulf do not hope to assimilate permanently into the host country.

INCENTIVES FOR SRI LANKAN TRANSNATIONAL DOMESTIC MIGRANTS

There are both national-level and family-level incentives for Sri Lankans to migrate. On the national level, migrant laborers’ remittances contribute significantly to Sri Lanka’s foreign exchange earnings. In 2008, total remittances stood at SLR 316,118 million, or roughly $2.87 billion (converted at $1 = SLR 110). Nearly 60% of this total, SLR 189,039 million or $1.72 billion, came from the Gulf. In generating foreign earnings, private remittances (36%) come second after Sri Lanka’s large garment industry (40%). Clearly the country has a great financial stake in the remittances generated by migrant laborers, particularly those working in the Gulf.

Migration alleviates unemployment among the poorer segments of Sri Lanka’s population. Locally available jobs are mostly poorly paid and temporary, particularly for women. Although transnational domestic workers earn only an average of $100 a month while abroad, this is between two and five times what women could earn working in Sri Lanka, and equals or exceeds the wages earned by most village men. Migrant women consistently assert that families cannot make ends meet on their husbands’ salaries, and say that migration to the Middle East is their only available economic alternative. Family motives for migration usually include getting out of debt, buying land, and building a house. Women also state that they would like to support their family’s daily consumption needs, educate their children, and provide dowries for themselves or their daughters. Participants in the decision-making process (undergone repeatedly for migrants who return several times to the Gulf) weigh financial necessity and household improvements against separation, incursion of loans, and alternate arrangements for childcare.

Migrant women often become the sole or most significant breadwinners for their families. Several studies suggest that each migrant woman supports four to five members of her family; figures for migrant men are likely similar.8 In 2003, the SLBFE estimated that migrant laborers made up 14% of the total number of employed Sri Lankans. By 2008, this figure had jumped to 25%. A significant and growing percentage of Sri Lankan families are thus directly dependent on Gulf remittances.

CONCLUSION

Labor migration to the Gulf has become a core feature of Sri Lankans’ economic strategies at the family and national levels. Migration is likely to continue in the future. Trends will depend upon several factors: Sri Lanka’s success in diversifying its migrants’ destination countries; its economic growth and the local availability of desirable jobs; and its continued capacity to send care workers abroad while tending to an aging population at home.

Migration and Human Rights in the Gulf

Anisur Rahman

Millions of people around the world have left their home countries in search of employment. In 2005, there were 191 million migrants, or about 3% of the world’s population, living in other countries. Today, that number has grown to about 200 million. An estimated one person in 35 is an international migrant. Almost all countries are affected by international migration. The Gulf countries are no exception. There are over 15 million migrants working in the Gulf region. They face many difficulties, which consequently raise the issue of their rights in the host countries.

FIVE PHASES OF MIGRATION TO THE GULF

The first phase in the modern history of migration to the Gulf occurred in the period prior to the 1970s oil boom. During this phase, more than 80% of migrant workers were Arabs, mainly from Egypt, Syria, Yemen, and Palestine. There also were Asian workers, who were employed in European companies and government agencies. The number of Asian workers was estimated to be 247,700 in the entire Arab region in 1970. During this period, there were narrow wage differentials between sending and receiving countries. Iraq and Oman were net exporters of manpower. Thereafter, both became the major labor importing countries.

The second phase — the point at which migration to the Gulf began to intensify — was triggered by the post-1973 oil price hike. During this phase, the number of Arab migrants, especially from poorer countries such as Egypt and Yemen, rose considerably. About 1.3 million migrants were estimated to be in the region in 1975.

The third phase spans the latter part of the 1970s and the early 1980s. Due to the second oil price hike in 1979, government revenue rose sharply in the course of a single year. As a result, the Gulf states launched more ambitious development plans, lavish projects, and even more generous social welfare programs. These initiatives caused a surge in demand for an additional 700,000 migrant workers in Saudi Arabia and the other GCC countries in 1980. The number of migrant workers in Iraq also increased to about 750,000. The number of Indian workers alone exceeded 500,000 by 1980.

Apart from the increasing number of workers, two other trends emerged during this period. First, the share of Arab migrant workers declined from about 43% in 1975 to about 37% in 1980. This was primarily due to the inflow of Indians, Pakistanis, Sri Lankans, and other Asian workers to the region. This was perhaps the result of the policies of the Gulf countries that favored South Asian workers (they were believed to be politically “safer” than their Arab counterparts). Second, the demand for unskilled labor slowed as

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major infrastructure projects were completed, while the demand for skilled workers increased.

The fourth phase began with the decline in oil prices in late 1982. With the contraction of oil revenues, some development projects slowed and demand for foreign workers slackened. However, the preference for skilled workers continued.

The fifth phase began in the 1990s. With the end of the Cold War, new migrant workers began to arrive in the Gulf countries, particularly from China and the newly independent states of the former Soviet Union. These migrant workers created additional competition in the labor market. The second Gulf War (1991) resulted in the displacement of about 1.5 million people, including one million Yemenis (who were expelled from Saudi Arabia) and 200,000 Jordanians, 150,000 Palestinians, and 158,000 Egyptians (most of whom left Kuwait). This mass displacement created job vacancies in the Gulf countries that were filled by South Asians (particularly by Indians, Pakistanis, and Bangladeshis).

Although it is difficult to know the exact size of the migrant worker population in the GCC countries, available information suggests that it was about 12.5 million in 2002. Of this total, there were 3.5 million non-Gulf Arabs, 3.6 million Indians, 1.7 million Pakistanis, almost one million Bangladeshis, more than 700,000 Filipinos, and over 700,000 Sri Lankans.

The number of Asians was more than twice that of non-Gulf Arab workers. The presence of South Asian workers is growing, and is likely to continue to do so.

MIGRANT WORKERS — SECURITY RISKS OR ECONOMIC ASSETS?

As previously noted, the overwhelming presence of migrant workers in the Gulf region is perceived as a national security issue. Accordingly, GCC countries have instituted tougher recruitment policies, deported surplus expatriate workers, and made the renewal of residence permits more difficult. Moreover, the GCC labor ministers have proposed a quota system to limit the number of foreign workers. Majid Al-Alawi, Minister of Labour and Social Affairs of Bahrain, has stated that non-Arab foreign workers constitute a strategic threat to the region’s future. Similarly, Abdul Rahman Al Attiya, the GCC Secretary-General, warned about the possible security risks incurred by the massive presence of expatriates in the region.

However, the International Labour Organization (ILO) portrays migrant workers not as potential security risks but as vital economic partners whose contributions are often underappreciated and undercompensated:

Migrant workers provide valuable services with their labor and furnish an often invisible subsidy to the national economies that receive them.

MIGRANT WORKER RIGHTS IN THE GULF—IGNORED OR UPHeld?

The international community is demanding that expatriate workers be granted equal rights. If a worker is mistreated in one country, s/he can always opt to work in another country with a better reputation for treating foreign workers. In the case of the UAE, the United States demanded the creation of trade unions and the amending of labor laws to comply with international laws. The UAE must revise sponsorship rules in order to bring justice. The United States also has demanded that US citizens be treated equally with UAE nationals in terms of ownership and other matters.

Migrant workers provide valuable services with their labour and furnish an often invisible subsidy to the national economies that receive them. They work in factories, produce food, provide domestic service, staff in hospitals and contribute to a wide range of basic needs, often for low wages and with little recognition of the value of their contribution. Many countries face labor shortages and thus seek to import labor.

5. Tattolo, Arab Labour Migration to the GCC States.
Efforts are underway to press all labor-receiving countries to ensure that expatriates’ salaries are equal to those of nationals, and that migrant workers are accorded greater rights in the areas of education and health. Moreover, France and other European nations have realized that denying justice to expatriate workers is not only shameful, but also weakens the moral fabric of society. Highlighting the issue of equal rights, James Zogby, President of the Arab American Institute, rightly stated, “Expatriate workers are a time bomb waiting to explode and unleash riots like those that rocked France.”

Yet, migrant workers in the Gulf often are trapped in horrible living and working conditions, denied justice and their basic rights. This harms not only migrants, but also the international image and prestige of the host countries. It is rightly acknowledged that these countries must do better. “They clean your offices, build your cities and yet remain invisible. You must see them, incorporate their rights into your vision and defend them.”

Similarly, Dr. Shamlan Yousef, an Arab intellectual, asked, “Can a lesson be learnt from the events in France?” He clearly acknowledged that “no one can deny the fact that policies of discrimination and oppression are being practiced in the Gulf countries against the foreign workforce in terms of low salaries, long working hours and absence of rights.”

Gulf countries often ignore international conventions on the rights of migrant workers. Their labor laws do not meet the standards for the protection of migrants. Khowla Mattar, a senior specialist on workers’ rights at the ILO’s regional office for Arab states, also noted that Gulf countries habitually deny the problem of human trafficking and human rights abuses towards migrant workers. As Mattar said, “The culture of rights is weak in our societies; unless we enhance this culture at the regional level, migrant workers will continue to be exploited and their rights would be abused.” She further underlined that the labor laws in the Gulf are not compatible with international conventions. Rather, companies continue to prosper at the expense of poor workers.

There are presently over 15 million migrants living in the GCC countries. Regardless of their nationality, they are subjected to local sponsors, who have the power to limit migrants’ movement and ability to change jobs. Low-income uneducated workers are exposed to other kinds of abuses and exploitations, such as physical and verbal harassment, denial of access to consular services, and contact with families.

CONCLUSION

Migrant workers are engaged in every sector of development activity in the Gulf. They contribute substantially to the economic growth of labor receiving countries. Ironically, however, migrant workers are considered to be a threat to national security. Meanwhile, migrants are often exploited by unscrupulous employers, recruitment agents, and others. The international norms and standards are often violated in order to promote individual interests. A change in the mindsets and policies of Gulf governments is urgently necessary and long overdue — a change that not only acknowledges the economic benefits of hosting migrant laborers, but that also recognizes, respects, and works to ensure the rights of migrant workers.

9. Dr. James Zogby, Keynote Address to the Plenary Session of the Parallel Conference to the Forum for Future, Kingdom of Bahrain, November 7, 2005.
10. Quoted in “France and the Gulf,” Al-Seyassah (Kuwait), November 15, 2005.
Kerala Emigrants in the Gulf

S. Irudaya Rajan and K.C. Zachariah

How many Indians work abroad? We have no answer to this question even today. However, available evidence indicates that the state of Kerala in India has the highest number of emigrants in the Gulf countries.¹

In order to make an assessment of the emigrants from Kerala to the Gulf, the Centre for Development Studies (CDS) conducted four large-scale surveys over the last 10 years — in 1998, 2003, 2007, and 2008. This essay is based on the Kerala Migration Survey (KMS) 2008, funded by the Department of Non-Resident Keralite Affairs, the Government of Kerala, and the Ministry of Overseas Indian Affairs, Government of India.² In this survey, the sample size was enhanced to 15,000 households from 10,000 households in the three earlier migration surveys. The increase in sample size — with a minimum of 1,000 households in every district of Kerala — is expected to yield reliable migration estimates at the district and taluk levels in Kerala.

These estimates are made on the basis of answers to the following question: Has any person who was a usual resident of this household (HH) migrated out of Kerala and is still living outside India? Those who are still living outside India are called emigrants. Similarly, those who worked abroad and returned to Kerala are called return emigrants.

The sample consists of 300 localities (Panchayats or Municipal wards). From each locality 50 HHs were selected for canvassing. Estimation is done at the Taluk level. Thus for a Taluk we have:

\[ r_i = \text{Number of Emigrants in the sample households in the } i\text{th locality} \]
\[ h_i = \text{Number of sample HHs in the } i\text{th locality (50)} \]
\[ H_i = \text{Total number of HHs in the sample locality in 2008} \]
\[ H = \text{Total number of HHs in the Taluk in 2008} \]

According to Table 1, the number of Kerala migrants living outside India in 2008 was 2.19 million. The corresponding number in 1998 was 1.36 million. During the 10-year period 1998-2008, the number of emigrants from Kerala has increased by 830,000 (See Figure 1).

### Table 1: Number of Emigrants, Return Emigrants, and Non-Resident Keralites from Kerala, 1998-2008

<table>
<thead>
<tr>
<th>Kerala</th>
<th>Number</th>
<th>Increase</th>
<th>Per 100 Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emigrants (EMI)</td>
<td>2,193,412</td>
<td>1,361,919</td>
<td>831,493</td>
</tr>
<tr>
<td>Return Emigrants (REM)</td>
<td>1,157,127</td>
<td>739,245</td>
<td>417,882</td>
</tr>
<tr>
<td>Non-Residence Keralites</td>
<td>3,350,539</td>
<td>2,101,164</td>
<td>1,249,375</td>
</tr>
</tbody>
</table>

Migration begets migration; emigration begets return emigration. The greater the extent of emigration, the greater the potential extent of return emigration. Return emigration is a built-in aspect of the emigration process. This is particularly true of Gulf migration, where almost all emigration is of short duration and temporary in nature. Return emigration statistics given in Table 1 tell this story convincingly. The number of return emigrants rose from 740,000 in 1998 to 1.16 million in 2008, the net increase being 420,000 during the period 1998-2008. The number of Non-Resident Keralites (NRK=EMI+REM) in 2008 was 3.35 million, while the corresponding number in 1998 was 2.1 million. Thus the number of NRKs increased by 1.25 million during 1998-2008.

The number of emigrants per 100 households increased from 21.4% in 1998 to 29% in 2008. Similarly, the number of return emigrants per 100 households increased from 11.6% in 1998 to 15.3% in 2008 (Figure 2).

Using the information collected from the earlier migration surveys, we have constructed the trend in emigration from Kerala. The data is given in Table 2 (Figure 3).
Table 2: Trends in Emigration from Kerala, 1982-2008

<table>
<thead>
<tr>
<th>Year</th>
<th>EMI</th>
<th>Year</th>
<th>EMI</th>
<th>Year</th>
<th>EMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>230,740</td>
<td>1991</td>
<td>566,668</td>
<td>2000</td>
<td>1,501,917</td>
</tr>
<tr>
<td>1983</td>
<td>274,804</td>
<td>1992</td>
<td>637,103</td>
<td>2001</td>
<td>1,600,465</td>
</tr>
<tr>
<td>1984</td>
<td>273,342</td>
<td>1993</td>
<td>754,544</td>
<td>2002</td>
<td>1,717,695</td>
</tr>
<tr>
<td>1985</td>
<td>313,980</td>
<td>1994</td>
<td>819,025</td>
<td>2003</td>
<td>1,838,478</td>
</tr>
<tr>
<td>1986</td>
<td>329,083</td>
<td>1995</td>
<td>957,388</td>
<td>2004</td>
<td>1,900,113</td>
</tr>
<tr>
<td>1987</td>
<td>364,909</td>
<td>1996</td>
<td>1,062,376</td>
<td>2005</td>
<td>1,990,441</td>
</tr>
<tr>
<td>1988</td>
<td>405,513</td>
<td>1997</td>
<td>1,178,589</td>
<td>2006</td>
<td>2,093,520</td>
</tr>
<tr>
<td>1990</td>
<td>510,214</td>
<td>1999</td>
<td>1,412,649</td>
<td>2008</td>
<td>2,193,411</td>
</tr>
</tbody>
</table>

Estimates of the number of emigrants by district is much more reliable in KMS 2008 than in earlier surveys, as the number of sample households was more than 1,000 in each of the 14 districts. Figure 4 indicates that Malappuram district had the largest number of emigrants from Kerala — 335,000 out of a total of 2.19 million (15.3%).

Figure 3 Trends in Emigration, 1982-2008

Figure 4 Number of Emigrants by Districts in Kerala, 2008
Kerala witnessed accelerated emigration at the start of the 1970s. From then on, the Gulf countries have been the principal destination of emigrants. The state of affairs remained more or less the same in 2008. Kerala emigration, even today, is essentially emigration to the Gulf countries. In 1998, a Gulf country was the emigration destination for 93.9% of Kerala emigrants, declining to 88.5% in 2008.

The changes within the Gulf region are more marked. Saudi Arabia was the principal destination in 1998, with 37.5% of Kerala’s emigrants arriving there. The proportion of emigrants from Kerala to Saudi Arabia declined to 26.7% in 2003 and further dropped to 23% in 2008. However, the number of Kerala emigrants in Saudi Arabia has remained stable; it has not declined at all during the ten-year period. On the other hand, the United Arab Emirates (UAE) has received a rising proportion of Kerala emigrants — from 31% in 1998 to 41.9% in 2008 (Figure 5).

According to the 2001 Census, 56.3% of Kerala’s population is Hindu, 19% is Christian, and 24.7% is Muslim. However, Muslims make up the plurality of the emigrants, with 41.1%, followed by Hindus with 37.7%, and Christians with 21.2% (Table 4).
The majority of the migrants in Kerala are males. The proportion of female emigrants from Kerala rose from 9.3% in 1998 to just 14.6% in 2008.

CONCLUSION

Kerala's Gulf connection is so strong that even during the current global crisis, both emigration and remittances seem to be resilient. According to our recent study conducted for the Government of Kerala, even at the peak of the recession in the Gulf, when 173,000 emigrants returned to Kerala, 239,000 emigrants left Kerala to work in the Gulf, resulting in a net migration of 66,000. Similarly, the total cash remittances that Kerala households received in 2009 registered a modest increase of 7%.

A Lexicon of Migrants in the United Arab Emirates (UAE)

Jane Bristol Rhys

The millions of foreign nationals working in the Arabian Gulf are often lumped together as “migrant workers,” but this is misleading. The population of foreign workers in the UAE, for example, is complex and heterogeneous. One layer of that complexity is manifested by the lexicon used by migrants to identify other migrants.

THREE WAVES OF INTERNATIONAL LABOR MIGRATION

The Gulf states are characterized by a unique demography resulting from years of international labor migration. Each of these states has idiosyncratic demographic issues. Some, like Bahrain and Oman, without the wealth of their neighbors, have not been able to rely so heavily on imported labor and have much smaller migrant populations. In the UAE, the rapid and comprehensive development of the country was accomplished by successive waves of imported labor in response to development needs, plans, and goals. These waves began in the early 1960s, as oil revenues seemed assured, and then exploded as oil exports began in 1968. Oil field workers, crew chiefs, drillers, mechanics, technicians, and geologists — all of whom were necessary to get the oil out of the ground — needed to be fed, housed, clothed, transported, entertained, and connected to their home countries; and so infrastructural development required more workers. Those workers then needed the same amenities as the oil field personnel, so development continued at a breakneck pace.

The second wave of workers continued building the cities of the UAE through the mid-1980s to the mid-1990s, at which point there was a brief lull in new construction on the grand scale that had built the urban centers of Dubai, Abu Dhabi, and Sharjah. However, the pause was short-lived, and the construction of the Burj al Arab in Dubai marked the beginning of the third wave of construction and its concomitant imported labor. Dubai, with its mega-construction projects dominated the first half of the decade. While official statistics were unavailable, there were rumors of one million construction laborers there by the end of 2006. Abu Dhabi increased the pace and scope of development in 2005, and the competition between the two emirates for construction materials, cranes, and cement drove prices sky-high; even laborers were in short supply.¹

The UAE’s Migrant Communities

By 2009 the number of foreign nationals living and working in the UAE represented 85% of the country’s six million inhabitants. Perhaps it is security concerns that prompt the national media to use euphemistic glosses such as “demographic imbalance,” rather than citing statistics. Such glosses not only obscure the size of the foreign population, but also blur the fact that there are several categories of migrants. There are migrant communities, each of which has rather specific characteristics. While the labor conditions of foreign workers in the construction industry often make headlines, there are hundreds of thousands of other foreigners residing in the UAE who read the articles and commentaries on foreign labor. Migrants do not consider themselves to be a part of that story; they are office workers, shop clerks, nurses, engineers, teachers, drivers, drafts-

men, doctors, and librarians. The foreign population in the UAE is enormous, but hardly monolithic: It is fragmented first by nationality and then further divided by ethnicity, education, employment, and economics. In some instances, economics — earning power — and education connect people from disparate ethnic and national origins, while in others, ethnicity and employment are so inextricably connected that education is immaterial. University professors, none of whom classify themselves as migrant workers, socialize within a spectrum defined by education and institutional affiliation that is multi-national and multi-ethnic, while other individuals who hold advanced degrees in fields such as engineering and architecture may find that it is their nationality that defines — and indeed effectively circumscribes — the range of possible social relations to co-nationals.

Some foreign communities — notably the Indians, Egyptians, and Pakistanis, all of whose nations are major labor exporters to the UAE with accordingly large migrant communities — have reproduced in the UAE the socio-economic hierarchies that structure and stratify society in their home countries. The segmentation of these communities reflects the attributes of class structures in which social status is largely ascribed. One fascinating by-product of labor migration is that the labor policies and practices of the UAE appear to have reinforced class divisions within migrant communities rather than, as one might anticipate, the development of transcendent transnational identities, a new ethos of commonality predicated on the shared experience of migration. The migrant communities are internally segmented; they are largely isolated from other communities; and they are completely separated from Emirati society. These divisions are maintained in diverse ways, and crucial to all are the linguistic denotations that classify and categorize migrants.

**The Lexicon of Foreign Workers**

The lexicon of foreign workers in the UAE distinguishes laborers from workers on the basis of type of employment. The fundamental distinction that splits all migrants into one of two categories is the type of work visa: contracted or sponsored. Only laborers and workers are contracted in the way that word is used in the UAE despite the fact that most migrants (including those in professions such as engineering, architecture, medicine, and higher education) have employment contracts. Contract laborers are employed in construction, municipal cleaning crews, building maintenance, agriculture, and road works; they are Pakistani, Indian, and recently but in smaller numbers, Nepalese and Chinese. Contracted laborers are assumed to have been recruited by labor agencies in their home countries and to have little education; they must live in labor camps and are transported to and from job sites. Workers also may be contracted as to an industrial cleaning firm or municipality, but most are sponsored through the *ka'feel* system that allows Emiratis to obtain visas for employees. Workers live in urban centers, most commonly sharing space in apartment buildings; they are often female; they work in shops, drive taxis, serve food in restaurants, and sell cars. Domestic workers usually reside with the sponsoring family, be they Emirati or foreign. The salary range in this category goes from the low end of 600 or 700 dirhams per month (roughly $160 to $190), to several thousand per month. All foreigners who have residence visas in the UAE are sponsored workers but in common use; “worker” refers only to individuals who are from non-Western countries and earn less than 8,000 dirhams ($2,100) per month. “Worker” immediately denotes a South Asian, Arab, Asian, or African nationality.

By contrast, individuals from Western countries are referred to as “expatriates,” regardless of salary. An Egyptian or an Indian must earn much more and be sponsored by an institution such as a university to be called an expatriate. Expatriates do not consider themselves to be migrants in any sense of the word. They are “living abroad and working,” but


are not migrant workers. Interestingly, Emiratis rarely use the term “expatriate” to refer to an employee, a professor, or a physician. Emiratis normally use the word foreigner to denote the upper-level range of migrants (i.e. expatriates); all others are workers. Emiratis do use nationality to distinguish between foreigners. Therefore, “the Indian doctor” and the “Lebanese barber” are common, while just as often Arabs from Lebanon, Jordan, and Syria are lumped together as zalamat, an innocuous word for man that is used pejoratively to give the meaning of “interchangeable and replaceable.” In the final analysis, that word could be applied to all foreign workers in the UAE because since naturalization occurs only in exceptional cases, all work under contracts of varying lengths and are both temporary and replaceable.

CONCLUSION

The lexicon of migrants in the UAE reveals the fundamental prejudices that shape Emirati society by underscoring the dynamics of ethno-economics whereby South Asians and Arabs from other countries, both of which have large populations, are referred to as migrants, identified by nationality and/or ethnicity and only secondarily by profession, employment, and income. Alternately, Westerners are not considered migrants in any context. Thus, the vocabulary used to refer to migrants in the UAE reveals a great deal not only about the migrants, but about the society to which they have relocated.
The treatment of migrant domestic workers is one of the defining stories told about the Arab Gulf states. Every year hundreds of news media and human rights reports detailing migrant domestic workers’ experiences of exploitation and abuse circulate globally. The narratives of these accounts are remarkably consistent. They often begin with the story of an impoverished woman from the global South, who, in order to improve the situation of her family, migrates to the oil-rich Gulf states in search of work and a more prosperous future. Confined to the household, she works long, arduous hours, and is subjected to the dictates and whims of her employers, who may withhold her salary, force her to work under unconscionable conditions, or abuse her physically and sexually. Explanations for this occurrence of abuse and exploitation are usually taken as self-evident — having to do with the cruel logic of asymmetrical power relations between the haves and have-nots, the rich and the poor, the master and the maid.

This essay, which is based on over two years of research in Kuwait and South Asia, focuses on the changes in how states have sought to govern migrant domestic workers — a realm often elided in these accounts. I argue that in order to effectively redress the situation of migrant domestic workers in Kuwait, and the Gulf more generally, we must account for the gendered ways in which certain migrant populations and categories of work come to be included or disregarded by state institutions, and the important role played by labor recruitment agencies as intermediaries between domestic workers, employers, and governments.

The oil boom of the mid-1970s marks the beginning of domestic workers’ large-scale migration to Kuwait. Flush with petrodollars, Kuwaitis increasingly began hiring women to cook and clean, as well as care for their children and the elderly. Having domestic workers became an expected, often taken for granted part of Kuwaitis’ everyday lives and their understanding of themselves as modern, affluent subjects. Fewer Kuwaiti women, however, were willing or found it necessary to undertake paid domestic work.

Demand for domestic workers was met through the recruitment of women from the Indian subcontinent, Southeast Asia, and more recently, East Africa. Wave after wave of these women migrated to the Gulf due to the worsening economic situation of their home countries, a situation that had developed because of their countries’ spiraling trade deficits and foreign debts brought about by oil price hikes. From the mid-1970s to the late 2000s, Kuwait’s migrant domestic worker population grew from 12,000 to 500,000, and the percentage of Kuwaiti households employing domestic workers increased from 13% to 90%.1

Kuwaiti state institutions were initially unable — and unwilling — to manage this burgeoning population. Led by the Al Sabah family, the country’s ruling elite, state formation in Kuwait was focused on two interrelated objectives: the control and distribution

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of the country’s oil revenues through the development of state welfare institutions, and the production and consolidation of Kuwait’s national body through the activities of these rentier state institutions. Kuwait’s private sector was carved out in contradistinction to the state, one ceded to the country’s influential merchant families and nascent entrepreneurial class. Within this context, the everyday governance of migrants working in the private sector became the responsibility of their kafeel — citizens who sponsored, employed, and acted as guarantors for migrant workers.

Similar to construction workers, street cleaners, sales associates, company managers, and other migrant worker populations, migrant domestic workers’ everyday activities were regulated by the kefalah system. Domestic workers, however, did not fall under the purview of Kuwait’s labor laws. Kuwait’s labor laws were passed in 1964, before the large scale influx of migrant domestic workers. Similar to labor laws throughout the world, domestic work was excluded from the provisions of Kuwait’s labor laws. A gendered understanding of “labor” underpins these laws, one in which work undertaken within the household, the work of social reproduction, is not considered “labor.”

Despite this, domestic workers who experienced problems — an estimated 10% of the total population, the bulk of which pertained to salary or contract disputes (7-8%) and the rest to incidents of physical and sexual abuse (2-3%) — were not without recourse. They could file criminal charges in situations of physical or sexual abuse, and file civil legal cases related to contract disputes. Few did so, however, due to language barriers, and to the widespread perception that the courts were favorably disposed towards Kuwaiti citizens, or were unable to properly address the types of contracts disputes domestic workers had. More often than not, when disputes or conflicts arose, domestic workers would seek informal assistance from friends and family members (should they have any in Kuwait), or formal assistance from embassies, officials, or representatives from labor recruitment agencies.

Under increasing pressure from their embassies, overseas citizens, and informed domestic populations, the governments of labor-sending countries began adopting policies to redress the situation of their migrant domestic worker populations in the Gulf. Formerly, labor-sending states had played a minimal role in these matters. The reasons were myriad and overlapping: governments typically focused on the policing of migrants coming into their countries rather than those leaving; they were concerned with the governance of populations within their borders; they have limited jurisdiction to assist citizens residing abroad; and the state institutions of these countries had been systematically dismantled or crippled by years of structural adjustment programs in financing their foreign debts.

The policies that these governments eventually adopted — restricting or banning the outmigration of women to the Arab Gulf states, and imposing stipulations on domestic workers’ contracts — had limited, and in many cases contradictory effects.

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3. Crystal, *Oil and Politics in the Gulf and Kuwait: The Transformation of an Oil State*.


5. This figure was one widely used and circulated by embassy officials, human rights activists, labor agencies, ministry officials, police officers, lawyers, and others involved in Kuwait’s domestic work sector.

6. Examples include: 1) migration restrictions and bans passed by the governments of Pakistan (mid and late 1970s), Bangladesh (early 1980s), India (early 1990s and late 1990s), the Philippines (late 1980s), and Nepal (late 1990s); and 2) contract stipulations passed by the governments of Pakistan (mid-1970s), India (mid-1990s and 2007), the Philippines (2006), Sri Lanka (fall 2007), and Indonesia (fall 2007).
Labor-sending states had little capacity to enforce contract stipulations, and with the exception of Pakistan, the out-migration of women from these regions continued unabated. Migrant domestic workers circumvented restrictions placed on their out-migration by traveling via third party countries. Considered illegal by their home countries, their journeys to the Arab Gulf states became more hazardous, subject to the workings of grey and black markets, and the arbitrary actions of government officials at the interstices of these realms. Once in Kuwait, these migrant women could no longer, or could not easily, seek the assistance of their home country embassies.

Faced with dwindling options in the face of difficulties, domestic workers began seeking assistance from the Kuwaiti labor agencies involved in their recruitment. Initially conceiving of themselves as market intermediaries, these agencies increasingly (and in many cases reluctantly) started to take on state-like functions. They mediated and adjudicated problems between domestic workers and their employers. They developed systems to ensure domestic workers’ regular and timely pay. Some also established temporary lodging facilities (i.e., shelters), provided legal assistance, and started insurance programs for domestic workers. In Kuwait, labor agencies also developed a union responsible for coordination between and the policing of members, and for lobbying and coordinating collaborative efforts with state governments. In the late 2000s, they played an instrumental role in the passing of new laws related to migrant domestic workers — laws which included a minimum wage requirement, stipulated work hours, and rest times, and that outlined the responsibilities of both domestic workers and their employers. Labor agencies also became the intermediaries through which labor-sending states began overseeing and regulating the situation of their migrant domestic worker population in the Gulf. Labor agencies had to register with Labor and Foreign Affairs Ministries within labor-sending states, and had to receive permission from these institutions before seeking to recruit women from these countries. Labor agencies acquired these permits only by passing the evaluations conducted on an ongoing basis by embassy officials overseas.

CONCLUSION

The focus of much reporting on the situation of domestic workers in the Arab Gulf region is on their relationships with their employers. Extending labor laws and abolishing the kefalah system are often presented as means of redressing the exploitation and abuse experienced by these migrant women. In this essay, I have discussed briefly issues elided and presupposed by these reports; namely, the difficulty state legal systems have had in recognizing domestic work as “labor” due to gendered understandings of the term, the problems state legal systems have had in adjudicating this realm of work, and the willingness — and capacity — of states to reform the kefalah system and improve the everyday experiences of migrant domestic workers. In discussing these matters, this essay also has underscored the significant role played by labor recruitment agencies in the formation of Kuwait’s domestic work sector. Their activities, in turn, point to the important role played by state-like institutions in not only knitting together global processes, but in mediating and facilitating state institutions’ ability to expand their governance of their transnational citizens in a global context.

7. For example, Nepali women traveled via India, and Indian women traveled via Sri Lanka.
Migrant Women in the Gulf:
Malayali Women’s Perceptions of the Gulf States

Caroline Osella

Studies of Gulf women migrants focus on the most noticeable or “problematic” categories — domestic workers and the sex trade — and are generally policy-driven short surveys, using data collected in the Gulf itself. While attempts are sometimes made to deepen reports, by means of snippets of interview data, deep qualitative material remains sparse.¹ Gamburd’s landmark work,² although based only upon research in Sri Lanka, explores with exemplary nuance questions of the impact of Gulf migration upon various aspects of South Asian women’s family lives, such as their religious subjectivities, mothering styles, domestic practices, mobility, and dress preferences. Multi-sited studies enriched by³ data collection in both the Gulf and the sending state are slowly emerging.

Since 1989 I have been conducting ethnographic fieldwork in India and in various Gulf states among women from the state of Kerala. Keralites (Malayalis) long represented the largest demographic among Gulf migrants, and Kerala is still the Asian space enjoying the tightest links to the region, thanks to a long history of transoceanic trade, marriage, and religious ties.⁴

The first point to appreciate is that, as among males, the category of “migrant” woman immediately breaks down into so many sub-categories so as to become practically analytically useless. Malayali women come from Muslim, Christian, and Hindu families; matriculation fails through to postgraduate degree holders, housemaids to medical doctor-cum-hospital owners, working class through to super-elite; they hail from rural villages, small towns and big cities; are employed in business or as unwaged homemakers; they are young dependent singles living with Gulf-based families, working wives, and mature grandmothers running two households — one Gulf and one Indian, between which they constantly shift. Many Kerala women have been raised and educated in the Gulf, gone to Kerala for a brief period of college, marriage, and childbearing, and then have returned to be with their Gulf husbands, whether early, and with dependent children who will themselves then become “Gulf kids” or later on, once the children are less dependent and can be left in boarding schools or with other relatives, or are of college age. The Gulf also affects those at home, notably the “Gulf wife” — the “bachelor migrant’s” stay-behind partner.⁵ When we imagine the “migrant woman,” her migration

5. Leela Gulati, In the Absence of Their Men (New Delhi: Sage, 1993); Caroline Osella and Filippo Os-
motivations, experience, evaluation, future strategies, vary enormously according to how she is socially situated.

The biggest difference between male and female migrants is women’s overwhelming degree of connectedness with family networks and especially to their children. While men in the Gulf are always workers or job seekers, providers for natal or marriage families, many Gulf Indian women are dependent homemakers. Men’s experience and conversations revolve around contracts, sponsors, work visas, wage rates, etc., but women’s is more refracted through marriage and children: Even young, unmarried women schoolteachers will save their own dowry and think about improving their marriage chances through the prestige of “Gulf” connections and experience.

Young married women are utterly preoccupied with children’s schooling and paying fees for the best English medium school they can aspire towards. The richly segmented Gulf societies, with layers of ethnic and class hierarchies and a private school for every layer, open up wider worlds of aspiration to migrant women. In the Gulf, a matriculate rural woman will become aware of a wider range of job opportunities and skill requirements, and may have higher ambitions for her children’s education and future employment than she would have back home. Women’s participation in family decisions about migration strategies, and their opinions and wishes, tend to be expressed in terms of effects upon the entire family, and to be very heavily future-oriented.

Religious community, as intersected by social class, emerges as the biggest influence upon women’s experiences and evaluations. Here, Indian communalism articulates with the Gulf’s own ethnicized and religious population segmentation. While many knew that Malayali women were heavily represented in Gulf hospitals in nursing staff, in the early days, these nurses were overwhelmingly drawn from the Christian communities, where values of education and female employment, and a strong orientation towards ideals of being “modern” and achieving material progress are strong, and where largely Hindu ideas about ritual pollution and female respectability through religious segregation (practiced by Hindus and Muslims) are less pronounced. The Gulf offered Indian Christian women — a minority at home — chances to use their education, save money and find a stepping stone towards further migration to the United States. Observing the rewards, Hindu and, recently, also some Muslim families are allowing their daughters to work as nurses.

Meanwhile, many long established Muslim entrepreneurs are prosperous enough to maintain two homes, and to keep their entire family with them most of the time in the Gulf. Here, ideals of what it means to live a good Muslim family life and practices of female domesticity and respectability — which may mean gender segregation or employment limitation — hold sway. It is not surprising, given their very low workforce participation rates, to find that many Kerala Muslim women’s talk about the Gulf revolves around twin poles of a valued lifestyle — Islamic and consumerist — and stresses the positive impact which migration and this lifestyle will have upon their children’s future. Gulf women’s entry into public sphere does not seem to have much impact upon Muslim Kerala women, who are often critical of Gulf women on various real and imagined counts — freedom of movement, later marriage, dating and adultery, use of cosmetics, “lavish” consumerism, and lack of mothering skills and interest.

Kerala migrants and non-migrants alike place the Gulf region within a “rhetorical difference triangle” with the homeland and an imagined “West.” Religious identity becomes highly salient in migrant imaginations, and feeds into the troping of three topoi through simplified notions of religious identity and a sense of cultural-social “fit.” A — necessarily crudely...
sketched — general tendency is that Hindus sentimentalize the homeland, hold feelings of deep alien-ness and even fear and mistrust in the Gulf (linked heavily to the normalization of anti-Muslim feeling and negative stereotyping within India). Many migrants have no desire to remain in the Gulf for the long term but hope to amass enough money to retire or start up a small “time pass” business back home. Many Hindu women and children are kept away from the Gulf entirely, protected in the “safe” space of the homeland, where women act as place-holders for their absent husband. These women pick up their returned men-folk’s tales, snippets of scandal or outrage — trafficking, labor laws, lack of freedom of faith — from newspapers, weave them into pre-existing anxieties about Muslim people, practices (e.g., veiling) and spaces, and imagine “the Gulf” generically as a place fraught with danger and hostility for Hindu women, a space from which one hopes to extract material wealth while protecting the self.

Christians express appreciation for Gulf modernity, cosmopolitanism and its opportunities for career and personal development (e.g., world class children’s private education, exposure to globalized systems and spaces) but assess the Gulf as ultimately both “backward” and alien, often aiming to use Gulf migration as stepping-stone to further migration towards “The West” (usually the United States). It is Kerala’s Muslims who express both the deepest nuance and appreciation of differences between Gulf states, and also the happiest sense of “fit,” such that life in the Gulf may appear as both an utter relief from the trials of being a marginalized and increasingly mistrusted and mistreated minority in the homeland and as something akin to a pilgrimage or Sufi journey — offering the chance to live in a properly Islamic environment and hence improve one’s piety and one’s ultimate self development. As in the other communities, negative issues are aired — such as resentment over Arab privileges, or dismay at failure to find true “Muslim equality and brotherhood” — still Muslim women often speak glowingly of what they perceive as an almost perfect combination of excellent amenities — education, parks, healthcare, shopping — and Islamic ambience.

Exposure to an environment which is at once multi-ethnic and overtly (if very unevenly) Islamic seems to enhance women’s already sharp sense of religious belonging and encourage production of an imagined mapping of globalized religious communities onto space.

Exposure to an environment which is at once multi-ethnic and overtly (if very unevenly) Islamic seems to enhance women’s already sharp sense of religious belonging and encourage production of an imagined mapping of globalized religious communities onto space. Women then negotiate these spaces under an imperative to search out the best for their children’s future.

CONCLUSION

More ethnographic work on female migrants seems likely to reinforce the findings that women find their ethnic and religious identities heightened in the Gulf, which is perceived, despite unevenness, as an Islamic space; and that “reproductive futurism,” specifically concerns about children and social mobility in the next generation, are central to women’s migration strategies.

II. Impacts
The International Political Economy of Gulf Migration

Nora Ann Colton

Over the past three decades there has been much discussion about the impact of labor migration to the Gulf on the countries of origin. However, much less understood is the impact of this labor migration on the Gulf Cooperation Council (GCC) states — Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE) and their citizens. There has been documentation that the patterns of migration have changed from Arab migrants to Southeast Asians. Furthermore, we have seen the dependency on migrant labor consciously increase in some places in the region, such as Dubai, as they diversify into service industries that are very labor intensive. Consequently, the goal of this essay is to shed light on the impact that labor migration has had on the national labor forces of these countries through the policies that have been adopted as well as practices in the marketplace.

The GCC states are among the largest “pull” states for migrants in the world, with many GCC states consisting of more migrants with temporary residency than nationals. As Table 1 illustrates, Kuwait, Qatar, and the UAE have a majority foreign population. In addition to their numbers, migrant labor has been essential to the development of this region.

Although there was foreign labor in this region prior to the 1970s due to the rising demand for oil, it was mainly Arab labor from poorer states such as Egypt and Yemen. However, as the political dramas and power struggles surrounding the 1973 Arab-Israeli War unfolded, Arab petroleum producing countries took measures to pressure Western powers in favor of the Arab cause. First, they introduced restrictions against the sale of oil to certain states that supported Israel. Second, they cut back on oil production. By the end of December 1973, they had reduced the production of oil by 25% of its level at the end of September 1973, resulting in higher oil prices. Furthermore, on October 16, 1973, the ministerial committee representing the six Gulf countries, which are members of OPEC, decided to increase the price of oil by 70%. Coupled with the oil embargo, the price was later pushed up to unprecedented levels. These events, although politically motivated, served to fuel substantially the economies of the states in the Gulf region and their need for labor migrants.

Table 1: Population

<table>
<thead>
<tr>
<th>Country</th>
<th>Nationals</th>
<th>Non-nationals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahrain (2007)</td>
<td>527,433</td>
<td>511,864</td>
</tr>
<tr>
<td>Kuwait (2006)</td>
<td>1,023,316</td>
<td>2,159,644</td>
</tr>
<tr>
<td>Oman (2003)</td>
<td>1,781,558</td>
<td>559,357</td>
</tr>
<tr>
<td>Qatar (2006)</td>
<td>122,779</td>
<td>543,730</td>
</tr>
<tr>
<td>Saudi Arabia (2004)</td>
<td>16,527,340</td>
<td>6,150,922</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>825,495</td>
<td>3,280,932</td>
</tr>
</tbody>
</table>


The initiation and implementation of development plans in the Gulf states required large numbers of migrant workers of many nationalities. Much of the initial need was in construction, where many unskilled and semi-skilled workers were needed. Thus, Yemenis and Egyptians who were unskilled or semi-skilled continued to have easy access to the Gulf labor markets, but now other migrants from areas outside the region began to stream in. Nationals were inadequate in number and education to meet much of the need. Furthermore, governments in the region subsidized the public sector and used it as a way to benefit the indigenous workforce by employing nationals. These public sector jobs usually had much better benefits, shorter work hours, and better pay than the private sector. The private sector was reserved for migrant workers who were brought to the various countries in the Gulf under what was known as the *kafala* system.

### Table 2: Labor Force

<table>
<thead>
<tr>
<th>Country</th>
<th>Nationals</th>
<th>Non-nationals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahrain (2007)</td>
<td>101,681</td>
<td>277,790</td>
</tr>
<tr>
<td>Kuwait (2006)</td>
<td>341,185</td>
<td>1,621,770</td>
</tr>
<tr>
<td>Oman (2003)</td>
<td>747,300</td>
<td>483,814</td>
</tr>
<tr>
<td>Qatar (2006)</td>
<td>60,362</td>
<td>475,445</td>
</tr>
<tr>
<td>Saudi Arabia (2006)</td>
<td>3,900,592</td>
<td>4,124,290</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>220,000</td>
<td>2,427,000</td>
</tr>
</tbody>
</table>


*Kafala* is a system whereby a migrant is sponsored by an employer who assumes full economic and legal responsibility for the employee during the contract period. The system requires that the migrant only work for the sponsor and, in some cases, the sponsor will keep the passport of the migrant as insurance that the migrant will not try to leave the employer. Although the system has met with much criticism over the years, there has been little incentive by the governments of the region to change it. The *kafala* system also provides the government of these states with a means to regulate labor flows in and out of the country.

The large need for labor, coupled with higher wage rates in the Gulf relative to other parts of the world, led to a massive labor migration from various Arab states and Southeast Asia that climaxed and then abruptly slowed following the Gulf War of 1990. Although there already had been a movement in the GCC states to preference Southeast Asians over Arab workers, it became much more direct following the Gulf War. Due to a perception that Palestinians and Yemenis had sided with Iraq in the Gulf War, these communities were particularly affected. In the aftermath of the invasion Amnesty International recorded a large number of human rights abuses mainly of Palestinians. The Palestinians and Jordanians (many from Palestinian ancestry) made up the largest groups in Kuwait before the invasion. They were also the groups that were found in surveys to stay the longest in Kuwait, with many having resided as noncitizens for over 15 years. Yet, in general, throughout the GCC states there became an awareness of the negative consequences of foreign labor that had not existed previously among many of the citizens of these states. Even diversification strategies were called into question due to their heavy reliance on foreign labor.

Kuwait was particularly affected by the events of the first Gulf War as it did not see a huge increase in the price of oil like after the events of 1973, but experienced heavy damage that meant that it now had to rebuild the country at a very high price. The lack of productivity and poorly planned projects led to extensive expenditures and a belief by many Kuwaitis that there needed to be a “Kuwaitization” of the labor force. Consequently, labor laws were constructed that favored Kuwaitis, often allowing them to have lower qualifications than foreign born laborers. This process of passing policies that favored the indigenous population for employment quickly took hold throughout the Gulf. Many countries in the

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region focused on the energy and oil sectors, demanding that quotas of nationals be met. All these countries targeted the private sector where nationals had historically not been employed. They were also eager to move nationals into the private sector as the public sector could no longer keep pace with the large number of nationals entering the labor force each year.

Unofficial estimates put unemployment in Saudi Arabia, Bahrain, and Oman above 15% of the indigenous labor force.\(^4\) It also has been noted throughout these countries that unemployment will continue to climb if it is not addressed, due to the fact that all these countries have a very young population that will continue to enter the workforce over the next ten years.

However, these policies of favoring the indigenous laborer have not produced many results. Firstly, there is the problem of low productivity on the part of locals who know they are practically guaranteed a job. Migrant laborers, on the other hand, believe that regardless of how hard they work, they can never replace a national. Second, locals are often seen as being promoted regardless of qualifications and achievement. Due to the system that existed for decades, locals often think of their jobs and pay as rights of citizenship rather than job performance. Third, the resentment that has set in due to the favoritism of locals has led to a bifurcation of the society where nationals believe that they are discriminated against by many private sector employers and foreign workers view the nationals as rewarded with unearned jobs. There is also the problem of how to bring the education and skill levels of nationals up to those of migrant laborers.

Many outsiders to the Gulf see the foreign population marginalized and alienated by the indigenous population in spite of the fact that they often make up the majority of the labor force. However, many nationals feel a similar estrangement in their own labor market due to their mismatched skills and inability to secure work due to the saturation of the public sector and the reluctance of private sector employers to hire them. Consequently, we see the GCC states entering a new phase in their role as one of the largest employers of labor migrants in the world — confronting the challenge of how to preserve jobs for their nationals.

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Remittances from the GCC Countries: A Brief Outlook

George Naufal and Ali Termos

Over the past decade, most of the Gulf Cooperation Council (GCC) countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) experienced robust economic growth. The main force behind this growth is a strong labor force, composed mainly of expatriates. Largely due to its geographical proximity, the Gulf has been a preferred destination for workers from South Asia for years. More recently, however, the GCC has attracted foreign labor from all over the world. Though extraordinarily diverse, expatriate workers share one common goal: to send as much money home as possible.

In Western countries, expatriates are referred to as immigrants because they can adjust their status and eventually obtain citizenship. This opportunity is not available to expatriates living in the Gulf. Nor are the majority allowed to bring family to join them or to own property. These factors have rendered the Gulf a temporary destination for thousands of foreign workers and, consequently, have made it one of the top remitting regions in the world.

EXPATRIATES IN THE GCC

None of the studies on remittances have looked at the economic effects of remittances on the sending country. One reason is that in most sending countries, migrants do not constitute a significant portion of the total population. The GCC countries are unique in this regard since the expatriate population, on average, comprises about 50.4% of the total population, with the highest being Qatar (78.3%) and the lowest being Oman (24.5%) (see Table 1).

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Bahrain</td>
<td>40.7</td>
<td>India, Saudi Arabia, Egypt, Iran, Sudan, Algeria, Morocco, Iraq, Yemen, and Syria</td>
<td>14,370</td>
<td>6.2%</td>
</tr>
<tr>
<td>Kuwait</td>
<td>62.1</td>
<td>Saudi Arabia, United States, Canada, India, United Kingdom, Australia, Netherlands, Denmark, Sweden, and France</td>
<td>30,360</td>
<td>8.3%</td>
</tr>
<tr>
<td>Oman</td>
<td>24.5</td>
<td>India, Bangladesh, Pakistan, Egypt, Sri Lanka, Philippines, Sudan, Jordan, United Kingdom and Netherlands</td>
<td>9,070</td>
<td>2.1%</td>
</tr>
<tr>
<td>Qatar</td>
<td>78.3</td>
<td>-</td>
<td>-</td>
<td>9.4%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>25.9</td>
<td>India, Egypt, Pakistan, Philippines, Bangladesh, Yemen, Indonesia, Sudan, Jordan, and Sri Lanka</td>
<td>12,510</td>
<td>4.9%</td>
</tr>
<tr>
<td>UAE</td>
<td>71.4</td>
<td>-</td>
<td>23,950</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

Table 1 reveals a direct relationship between the percentage of the expatriate population and the mean annual GDP growth rate for the period between 2002 and 2006. The top source of expatriates across the GCC countries is India. In fact, out of the top ten migration corridors in the world, the India–UAE and India–Saudi Arabia corridors rank fourth and ninth. The next most common source countries are Egypt (with the Egypt–Saudi Arabia migration corridor ranked tenth), Pakistan, Philippines, Jordan, Sri Lanka, and Bangladesh. As mentioned earlier, the GCC countries, notably Kuwait and Oman, were able to attract labor from the West (e.g., from the United States, United Kingdom, Denmark, Netherlands, Sweden and France).

Figure 1 ranks the top ten countries by the highest number of immigrants as a percentage of their populations. Of the top 10, four are from the GCC (Qatar, United Arab Emirates, Kuwait, and Bahrain).


Figure 2 shows the percentage of the population who are expatriates for all six GCC countries from 1960 to 2005. Kuwait, Qatar, and the United Arab Emirates are all on a much higher scale than the other three countries. Historically, Kuwait and Qatar have always had a higher dependency on foreign labor while the United Arab Emirates played catch-up during the last two decades. All six countries exhibit a positive trend of the percentage of population who are expatriates.

Source: World Development Indicators.

REMITTANCES FROM THE GCC

The Middle East is considered one of the top destinations for migrant remittances. In fact, the Middle East has two countries in the top ten remittance receiving countries in 2006 as a percentage of their Gross Domestic Product (GDP). Lebanon and Jordan rank eighth and tenth, with 23% and 20% respectively.
Nevertheless, the GCC countries exhibit an opposite remittance behavior. In fact, Saudi Arabia was the second highest remittance sending country in the world in 2006, with an estimated value of remittances of $16 billion. Kuwait, Oman, and Bahrain are ranked in the top 30 sender countries. Bahrain ranks fourth among remittance sender countries, with remittances equal to 12% of its GDP. Saudi Arabia and Kuwait remit 5% and 4% of their GDP, respectively (see Table 2).

<table>
<thead>
<tr>
<th>Country</th>
<th>Remittances Sent US$ Billion</th>
<th>Rank in the World</th>
<th>Remittances Sent Percent of GDP</th>
<th>Rank in the World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahrain</td>
<td>1.5</td>
<td>30th</td>
<td>12</td>
<td>4th</td>
</tr>
<tr>
<td>Kuwait</td>
<td>3.0</td>
<td>18th</td>
<td>4</td>
<td>12th</td>
</tr>
<tr>
<td>Oman</td>
<td>2.8</td>
<td>21st</td>
<td>5.8*</td>
<td>-</td>
</tr>
<tr>
<td>Qatar</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>15.6</td>
<td>2nd</td>
<td>5</td>
<td>9th</td>
</tr>
<tr>
<td>UAE</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>


The increasing percentage of the population who are expatriates in the GCC countries, along with a decrease in the transaction fees for sending money back, have led to a huge increase in the amount of money sent from the Middle East. Figure 3 shows the sums of remittances sent from Bahrain, Kuwait, and Oman in the last three decades. Remittances sent from Saudi Arabia are separately shown in Figure 4 for scaling purposes.

Figures 3 and 4 both show a consistent increase in the monetary transfers from all four countries in the last 30 years. However, Saudi Arabia differs from Oman and Kuwait in terms of the timing of the largest surge in the value of remit-
**Naufal and Termos…**

Remittances from Saudi Arabia peaked in the late 1980s and early 1990s while in Oman and Kuwait this surge occurred in the early 2000s.

**THE POTENTIAL EFFECT OF REMITTANCES ON SENDING ECONOMIES**

Past research on remittances has focused mainly on the effects of these monetary flows on the receiving economies. It has been argued that remittances on the receiving end affect household decisions through the channels of alleviating poverty, improved education and healthcare, and the amount of labor supply. Moreover, remittances impact the macro-economy of the receiving country by affecting exchange rates, interest rates, consumption, and saving levels.

These studies, however, have ignored the impact of remittances on the sending economy. The main reason is the fact that normally the monetary leakage from these economies is negligible if taken as a percentage of GDP. For instance, the remittances that flow out of the United States or Europe to less developed countries have an infinitesimal impact on these large sending economies. However, this is not the case for the GCC economies. In fact we can argue that GCC economies are unique in the sense that outflow remittances constitute a large slice of their GDP and therefore deserve special attention (see Table 2). In what follows we highlight the major potential concerns regarding the outflow remittances of GCC countries on their economies.

**Pressure on exchange rates.** Expatriates’ remittance of money home distorts the exchange rate market by placing pressure on foreign reserves. As GCC countries peg their currency to the US dollar, by remitting money, the expatriates are converting the local currency into a more easily converted and widely accepted currency such as the dollar or the euro. This exerts additional pressure on GCC central banks to keep high foreign reserves in order to maintain the pegged exchange rate.

**Pressure on fiscal policy.** Given the sheer size of the money fleeing the economy, it is expected that this would weaken the performance of the fiscal policy. The growing size of these remittances adds downward pressure on the government spending multiplier. In other words, when the government plans to boost spending in case of recession, this spending level should be relatively higher to compensate for the higher remittances.

**Pressure on monetary policy.** It is argued that the monetary policy of the GCC countries is closely linked to the US monetary policy because of the pegging of their currencies to the dollar. Therefore, interest rates volatilities follow those of the United States. However, the pressure of remittances is felt on the money supply and therefore on the money multiplier. This issue will be amplified when the GCC economies become united under one monetary union.

**Pressure on investment.** The lack of re-investing expatriate money in the GCC economies hinders the real business cycle dynamic, as the money made in these countries is not fully recycled domestically. This puts downward pressure on the investment multiplier.

**Rise of underground economic activities.** The possibility of money laundering being transformed or legalized through remittances is a grave concern. In general, to remit money, expatriates use conventional methods such as financial institutions (local and foreign banks, International Service Providers) and relatives and friends visiting home. However, due to cost effectiveness, some expatriates prefer the Hawala system, whereby the money is transferred through a system of individuals and agents located in the sending and receiving countries. If this practice is not efficiently monitored, it might damage the image of the investment environment and consequently economic growth.
WHAT CAN BE DONE?

The limited human capital in the GCC countries has made economic growth contingent on a large expatriate population. One of the consequences of the dependency on foreign labor is the monetary leakage that is associated with expatriates sending money back to their families.

The monetary transfers from the GCC countries have dramatically increased over the last two decades, placing the GCC countries among the top remittance senders in the world. The sheer size of these monetary transfers is a major concern for policymakers. In fact, some GCC countries are already sketching policies to prevent these huge amounts from leaving their countries. The ultimate objective is to direct this money into domestic investments. For that to happen, the goal is to make expatriates feel more at home. Following are some suggestions for policymakers that should help reduce the flow of remittances from the GCC countries:

- Allow full or partial foreign ownership of property
- Making family reunions for blue-collar workers less burdensome
- Open the door for gradual naturalization

All in all, remittances flows from the GCC are one of the major consequences of the huge economic boom in the region. The size of these flows poses various challenges and imposes new dimensions to the practice of public policy that cannot be ignored. Some of these challenges relate to labor policies, wage structures, and increasing inflation.
Remittances to Kerala: Impact on the Economy

S. Irudaya Rajan and K.C. Zachariah

The money that migrants send home is important not only to their families but also to their country’s balance of payments. In many developing countries, remittances represent a significant proportion of the Gross Domestic Product (GDP) as well as foreign exchange earning. In 2008, India was the leading country in the world in terms of the volume of remittances with $52 billion, which contributed 4.2% of GDP (Table 1).

<table>
<thead>
<tr>
<th>Rank</th>
<th>Countries</th>
<th>(US $ billions)</th>
<th>Percentage of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>India</td>
<td>52</td>
<td>4.2</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>49</td>
<td>1.1</td>
</tr>
<tr>
<td>3</td>
<td>Mexico</td>
<td>26</td>
<td>2.4</td>
</tr>
<tr>
<td>4</td>
<td>Philippines</td>
<td>19</td>
<td>11.2</td>
</tr>
<tr>
<td>5</td>
<td>Poland</td>
<td>11</td>
<td>2.0</td>
</tr>
<tr>
<td>6</td>
<td>Nigeria</td>
<td>10</td>
<td>4.7</td>
</tr>
<tr>
<td>7</td>
<td>Romania</td>
<td>9</td>
<td>4.7</td>
</tr>
<tr>
<td>8</td>
<td>Bangladesh</td>
<td>9</td>
<td>11.4</td>
</tr>
<tr>
<td>9</td>
<td>Egypt</td>
<td>9</td>
<td>5.3</td>
</tr>
<tr>
<td>10</td>
<td>Vietnam</td>
<td>7</td>
<td>7.9</td>
</tr>
<tr>
<td></td>
<td>Kerala State, India</td>
<td>10.4</td>
<td>30.7</td>
</tr>
</tbody>
</table>

Table 2 shows the trends in remittances for India over the past 40 years. According to the estimates of the World Bank, remittances to the country have grown steadily from $120 million in 1970, to 2.76 billion in 1980, $3.29 billion in 1991, $12 billion in 2000, and to about $52 billion in 2008. While the World Bank projected remittances to India at $47 billion for 2009, a report prepared by the Centre for Development Studies projected that the figure would be $53 billion.

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K.C. Zachariah is currently Honorary Professor at Centre for Development Studies, Thiruvananthapuram, Kerala. He was a senior demographer at the World Bank (1971-1987). He has worked extensively on migration and coordinated six large-scale migration surveys in Kerala along with Professor S. Irudaya Rajan.


Table 3, which provides the trends in remittances to Kerala between 1991 and 2008 indicates a continuous growth of such remittances.

<table>
<thead>
<tr>
<th>Year</th>
<th>Remittance (Rs in Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>3,025</td>
</tr>
<tr>
<td>1992</td>
<td>3,882</td>
</tr>
<tr>
<td>1993</td>
<td>6,084</td>
</tr>
<tr>
<td>1994</td>
<td>7,069</td>
</tr>
<tr>
<td>1995</td>
<td>9,521</td>
</tr>
<tr>
<td>1996</td>
<td>10,761</td>
</tr>
<tr>
<td>1997</td>
<td>10,817</td>
</tr>
<tr>
<td>1998</td>
<td>13,652</td>
</tr>
<tr>
<td>1999</td>
<td>14,438</td>
</tr>
<tr>
<td>2000</td>
<td>15,732</td>
</tr>
<tr>
<td>2001</td>
<td>17,362</td>
</tr>
<tr>
<td>2002</td>
<td>18,465</td>
</tr>
<tr>
<td>2003</td>
<td>19,797</td>
</tr>
<tr>
<td>2004</td>
<td>21,251</td>
</tr>
<tr>
<td>2005</td>
<td>22,828</td>
</tr>
<tr>
<td>2006</td>
<td>24,526</td>
</tr>
<tr>
<td>2007</td>
<td>30,122</td>
</tr>
<tr>
<td>2008</td>
<td>43,288</td>
</tr>
</tbody>
</table>

Source: Zachariah and Rajan, “Migration Monitoring Study 2008.”

The flow of about Rs. 43,288 crores into the Kerala economy in 2008 by way of remittances had a very significant impact on the state’s economy and the living conditions of its citizens. It is important to state 88.5% of emigrants from Kerala went to the Gulf and as such they contribute a large chunk of the remittances that flow into Kerala.

Based on a total population of 30,371 crores in Kerala in 2008, the remittance of Rs. 43,288 crores amounted to an average per capita remittance of Rs. 12,840 and an average household remittance of Rs. 57,227 per year. Remittances thus make a substantial contribution to the annual income of the households in Kerala.

Remittances also are associated with the macroeconomic indicators of the state. To begin with, remittances in Kerala in 2008 were nearly a third (31%) of Kerala’s NSDP. The per capita income of the state excluding remittances stood at Rs. 41,814, but was as much as Rs. 54,664 when remittances also were included (Table 4).

<table>
<thead>
<tr>
<th>Indicators</th>
<th>1998</th>
<th>2003</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remittances</td>
<td>13,652</td>
<td>18,465</td>
<td>43,288</td>
</tr>
<tr>
<td>NSDP</td>
<td>53,552</td>
<td>83,783</td>
<td>140,889</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>16,062</td>
<td>25,764</td>
<td>41,814</td>
</tr>
<tr>
<td>Modified NSDP</td>
<td>67,204</td>
<td>102,248</td>
<td>184,177</td>
</tr>
<tr>
<td>Revenue Receipt of Government</td>
<td>7,198</td>
<td>10,634</td>
<td>24,936</td>
</tr>
<tr>
<td>Transfer from Central Government</td>
<td>1,991</td>
<td>2,653</td>
<td>7,861</td>
</tr>
<tr>
<td>Government Non-Plan Expenditure</td>
<td>5,855</td>
<td>9,908</td>
<td>18,934</td>
</tr>
<tr>
<td>State Debt</td>
<td>15,700</td>
<td>31,060</td>
<td>61,653</td>
</tr>
<tr>
<td>Receipt from Cashew Export</td>
<td>1,317</td>
<td>1,217</td>
<td>1,198</td>
</tr>
<tr>
<td>Receipt from Marine Products</td>
<td>817</td>
<td>995</td>
<td>1,431</td>
</tr>
<tr>
<td>Modified Per Capita Income</td>
<td>20,157</td>
<td>31,442</td>
<td>54,664</td>
</tr>
</tbody>
</table>

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Other statistics also indicate the importance of remittances in Kerala's economy. Remittances were 1.74 times the revenue receipts of the state. Remittances in Kerala were 5.5 times the finance Kerala received from the central government and 2.3 times the annual non-plan expenditure of Kerala's government. In 2008, remittances were sufficient to wipe out 70% of the state's debt. Remittances to Kerala were 36 times the export earnings from cashews and 30 times that from marine products.

Looking at the breakdown of the total remittance of Rs. 43,288 crores by household type, we see that Rs. 16,493 crores was received by Hindu households, Rs. 7,800 crores was received by Christian households and Rs. 19,000 crores was received by Muslim households. The average remittances per household was Rs. 37,385 among Hindus, Rs. 50,107 among Christians, and Rs. 119,004 among Muslims (Table 5).

Table 5: Total Remittances and Remittances per Household by Religion, 2003-2008

<table>
<thead>
<tr>
<th>Religion</th>
<th>Remittances (Crores)</th>
<th>Remittances per HH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hindus</td>
<td>5,475</td>
<td>16,493</td>
</tr>
<tr>
<td>Christians</td>
<td>4,679</td>
<td>7,800</td>
</tr>
<tr>
<td>Muslims</td>
<td>8,311</td>
<td>18,995</td>
</tr>
<tr>
<td>Total</td>
<td>18,465</td>
<td>43,288</td>
</tr>
</tbody>
</table>

In 2008, the emigration rate per 100 households was 29, but only 18% of the households had an emigrant member because some had more than one emigrant. The proportion of households that received remittances was even smaller. The 2008 Kerala Migration Survey estimated that only 17.1% of households had received cash remittances (Figure 1). Muslim households received the largest proportion of remittances and Hindu households, the smallest.

Source: Zachariah and Rajan, “Migration Monitoring Study 2008.”
Total remittances by district are given in Figure 3. Remittances vary considerably among districts. Malappuram district leads with a total of Rs. 6,486 crore as remittances, followed by Thrissur district with remittances amounting to Rs. 5,961 crore and Thiruvananthapuram district with Rs. 4,801 crore. Idukki and Wayanad come last — while Malappuram accounts for 15% of the state’s remittances, Idukki accounts for less than 0.5%.

The average remittance per household in Malappuram was more than Rs. 1 lakh (Rs. 103,585) which is nearly double the state average (Rs. 57,227). The other districts with high average remittance per household were Thrissur, Pathanamthitta, Kollam, and Kozhikode. The average remittances per household in Idukki district were less than a tenth of the state average for Pathanamthitta, Kollam, and Kozhikode. The average remittances per household in Idukki district was less than a tenth of the state average.

CONCLUSION

The impact of remittances on Kerala is manifested in household consumption, saving and investment, the quality of houses, and the possession of modern consumer durables. Remittances also play a major role in enhancing the quality of life and contribute to a high human development index for Kerala in terms of education and health, along with the reduction of poverty and unemployment. The Gulf, which is home to a large majority of emigrants from Kerala, has figured prominently in this equation.
Several scholars of citizenship and migration in the oil-rich Gulf Arab states have noted the divisions between citizens and non-citizens in terms of mobility, access, geographic location, job prospects, and rights (or lack thereof) in these countries. These “rentier” states, such as the United Arab Emirates (UAE), which rely on oil for the majority of their income, highly police the boundaries of citizenship, which is based not in political participation but rather on heavy government subsidies and welfare benefits. Foreigners, who make up large proportions of the work force and population in these countries, are considered to be temporary guest workers, tied to renewable work visas, and are not integrated into the social and cultural fabric of the nation. Legally, they have little or no access to citizenship.

In Dubai, where foreigners are estimated to make up close to 90% of the population, the division between citizen and foreigner seems at first glance to be very rigid, defining the daily lives of the city’s residents. Indeed, many accounts of the city’s boom in the mid-2000s (and its subsequent “bust”) focus on the disparities between wealthy Arab citizens on the one hand, and underpaid, exploited unskilled labor (mostly from South Asia) on the other. However, over the course of 14 months of fieldwork in Dubai (conducted between 2004 and 2009), I found that the economic models deployed by Shaykh Muhammad of Dubai and his government, as well as the divisions between citizen and foreigner in the country, relied heavily upon foreign business owners to govern migrant populations and act in some ways as unofficial citizens of this city-state.

Migrant governance in the UAE, as in other Gulf states, is done through the kafala system whereby individual citizens sponsor employees and are responsible for their actions and well-being while in the country. Foreign business owners obtain their visas through partnership with citizens, in which the foreigner may own up to 49% of any business. In addition, there are free zones and freehold property options in Dubai that offer long-term visas for wealthy expatriates who open businesses or purchase property in certain areas of the city.

While its oil-rich neighbor Abu Dhabi holds the world’s largest sovereign wealth fund, oil constitutes only 3% of Dubai’s GDP. For many centuries, Dubai’s economy has been based primarily in mercantilism and trade in the Indian Ocean region. Over the past three decades, the Dubai government has invested in construction, tourism, service sectors, and commerce in order to diversify away from its small oil reserves. This has required adopting what Saskia Sassen and others refer to as neoliberal “global city” models.

Vora...

els, where foreign investment and labor is lured through lower taxes and customs, relaxed environmental standards, and the privatization of governance into the hands of individuals.4

While the privatization of migrant governance through the kafala system has been prevalent throughout the Gulf states since their inception, in Dubai the economic openness to wealthy foreigners means that it is most often expatriate elite managers and business owners who govern the day-to-day lives of migrant workers, thereby assuming responsibility for the migrants’ well-being.

In my interviews with foreigners in Dubai, I found that business owners emphasized the “freedoms” that Dubai offers for expatriates, a sentiment that went against the majority of journalistic and scholarly accounts of migration in the Gulf, as well as contradicted my interview experiences with middle- and working-class salaried foreign workers in the city.5 Mr. Soni, for example, a wealthy Gujarati gold merchant who had been in Dubai for over 30 years, told me that “Dubai is actually a freer place than India” and that India, while in his heart, is no longer his true home. Mr. Adnani, a Sindhi electronics dealer, explained to me that Dubai is a “land of opportunity” where anyone can reach his full potential. And Mr. Muhammad, a Syrian CEO of a construction company, related Dubai’s openness and fairness to all business people through the example of Shaykh Rashid (Shaykh Muhammad’s father and previous ruler of Dubai) and “the ice cream company:”

One of his friends wanted to open an ice cream factory, you see, since there were none at that time. Shaykh Rashid gave his friend land upon which to open the factory, as well as a loan for start-up expenses. However, there was one request the friend made that Shaykh Rashid would not fulfill: exclusive rights over ice cream in Dubai. Sheikh Rashid said that he would be as open to anyone coming into the country for entrepreneurship as he was to his friend, but would not allow anyone to have a monopoly. The friend said, “but just taste my ice cream, and you will see how wonderful it is.” Shaykh Rashid assured him that if his ice cream was indeed wonderful, he would benefit from healthy competition, and succeed. And the testament to this success is the fact that even though major ice cream companies have now entered the Dubai market, this small local business is still going strong after so many years!

Mr. Muhammad told me this story in order to illustrate how the rights of expatriates are protected in Dubai, and how anyone is welcome. His is therefore a claim about equality in neoliberal economic terms between foreigners and citizens. According to him, “it is not about where you are from, but what you can bring.” Of course, he told me, there is the need to protect citizenship, and there are too many expatriates. However, unlike other Gulf countries, where whole sectors of the economy are nationalized overnight, the UAE has proceeded gradually, aiming to balance the population without endangering foreign business. For example, in the UAE there is a three-tiered classification system for businesses based on who they hire. An “A” category company pays the lowest in visa fees because it has incorporated a certain percentage of citizens into its work force. A “B” company does not have enough citizens, but pays slightly reduced fees because it employs workers from diverse national backgrounds. A “C” company, which tends to hire almost exclusively from one nationality, pays the highest fees for visas. So companies can decide which category to which to belong based on their business preferences — in effect they pay more to maintain ethnic strongholds in particular industries. Additionally, Mr. Muhammad, like many other businessmen in Dubai, told me that 51% local business ownership exists only “on paper” and is not very restrictive since side agreements with citizens make the business effectively owned and operated almost exclusively by the foreign partner.

Even though many of my interlocutors in the business community had been in Dubai for decades and had grown children who were planning on continuing their businesses, they all insisted that they were “guests” in the country, that they respected the rights of Emiratis to have more benefits than foreigners, and that they were in no way interested in Emirati citizenship, even if it were available to them. In fact, many of them did not socialize at all with Emiratis and preferred to conduct business and define their social networks and cultural identities through their compatriots, who often also shared linguistic, regional, and religious backgrounds.

Based on this ethnographic evidence, I argue that foreign business elites — despite their assertions to the contrary — are, in effect, unofficial citizens in Dubai. These expatriates, through a disavowal of both political participation and socio-cultural belonging in Dubai, produce room for two seemingly contradictory goals — the preservation of narrowly-defined citizen interests and the production of an open “global city” — to dominate official state discourses and activities. Their neoliberal narratives of economic freedom mask the ways in which foreign elites are complicit with the state in producing social and economic hierarchies that benefit both citizens and wealthy expatriate clients. Foreign business elites participate in the production of the legitimacy of the state and the production of a particular version of “closed” citizenship and national identity. The state satisfies these expatriate clients by affording them particular rights, which include the ability to govern other populations and access to wealth accumulation.

Yasemin Soysal, in her work on Turkish migrants in Germany, argues that contemporary definitions of citizenship are moving outside of national identity. According to her, this post-national model of citizenship comes out of a tension between notions of a territorial nation-state and the drive for universal human rights. Thus, post-national citizenship is associated with official rights for non-citizens, and erodes the strength of nation-based citizenship claims. However, the example of Dubai challenges this claim. In fact, elite expatriates in Dubai do not threaten national identity and citizenship through their accumulation of particular rights, but rather they cement the idea of an Arab nation-state and help to purify the foreign presence out of Emirati national identity. Elites in this case get certain rights regardless of formal citizenship, but this does not amount to an erosion of the impact of nation-based citizenship and rights upon other less privileged bodies.

Thus immigrants, and especially elites, can be considered alternate or unofficial citizens to some extent within the UAE, and Dubai in particular. However, the convergence of neoliberal rhetoric about choice and free markets in Dubai in state discourses and in foreign business arenas contributes to the lack of needed intervention into the exploitative conditions within which a large percentage of Gulf migrants live. This is noticeable in the Emirati state and wealthy expatriate accounts of working-class laborers’ “choice” in coming to Dubai, the “benefits” for them of Dubai over India or Pakistan, the ability of unhappy workers to return if they choose, and the assumption that, due to pressures by human rights organizations, employees now have more rights than employers in the UAE. Within these narratives, both the state and wealthy elite businesspeople remove themselves from responsibility over the unsafe, unsanitary, and unsatisfactory conditions under which many people in the UAE live. By relegating governance over laborers to wealthy elites, the state abdicates its responsibility over their well-being; by narrating belonging in neoliberal economic terms instead of through politicization or nationalism, elite expatriates mask their own practices of citizenship and governance.

Westerners in the United Arab Emirates: A View from Abu Dhabi

David C. Chaudoir

It is not hyperbole to say that Emirati nationals (al-muwatinin) are vastly outnumbered by foreigners in their country at a ratio higher than almost anywhere else on earth. And, while a growing ethnographic literature documents late 20th century trends among South Asian migrant workers in the Arabian Gulf states, few have examined the less populous though highly visible and influential Westerners who work and live there. They deserve our attention.

Accordingly, almost all the Westerners who live in the United Arab Emirates (UAE) are working there or are under the sponsorship of someone who is working there. Work and employment are predominant features of Westerner-Emirati interactions and experiences in Abu Dhabi. These interactions are largely formal or semi-formal. Workplaces include private companies, government ministries and authorities, and schools and universities. A negligible number of both Westerners and Emiratis work in the shopping malls, hotel cafes, restaurants, and other public spaces which are the domains of communal interactive social life in Abu Dhabi.

Westerners have organized social clubs, hobby groups, sports leagues, and community groups, most of which are semi-exclusive. The primary daily social spaces of Emiratis have historically been their private homes and majalis (salons), but the emphasis on these spaces as sites of sociability has somewhat diminished, while unrelated Emiratis — especially men — increasingly gather in more public spaces like cafes, coffee shops, restaurants, shopping malls, and shisha parlors. Emirati homes and majalis are not typically sites of social interaction with Westerners, just as the residences of Westerners are not the usual sites of interaction with Emiratis. When Westerners and Emiratis socialize outside of the workplace, it is almost always in one of the aforementioned public venues.

Western businesses, hotels, restaurants, and retail stores abound in Abu Dhabi. Numerous partnerships encompass not only the substantial investments Abu Dhabi has made in the West, but also in the marked increase in the number of Western contractors and consultants the government has hired in recent years. In addition, Abu Dhabi is famously establishing branches of both the Louvre and the Guggenheim museums, as well as campuses of New York University and the Sorbonne. In 2008, Manchester City, an English Premier League soccer club, was taken over by a private equity company owned by Shaykh Mansur bin Zayad al Nahyan, a member of the Abu Dhabi Ruling Family. In late 2009, Abu Dhabi hosted its first Formula One auto race at the Yas Marina Circuit.

Westerners are different from other migrant nationalities who live and work in the UAE in several important ways, but the key distinction is that they are relatively wealthy and

1. When using “Emirati” in this article, I am referring generally to male nationals (ages 19–45) in Abu Dhabi.
2. To say nothing of the vital strategic military and governmental partnerships between the UAE and the United States, France and the United Kingdom, among other Western countries.
mobile, and, thus, more powerful than other migrants. Emiratis see Westerners as having greater freedom of choice. For example, they have the ability to easily return to a breadth of job opportunities in their own countries, since their countries of origin (the United Kingdom, United States, Australia, Germany, Canada, etc.) have the world’s strongest economies and what Emiratis see as preferential standards of living, especially as compared to the traditional “sending” countries of other migrants who comprise the majority of the people living in the UAE, such as India, Pakistan, the Philippines, Bangladesh, Egypt, Syria, etc. Where employment in the Gulf is often a default option for many citizens of the long-established sending countries, Westerners deliberately choose to work in the UAE because of the benefits of the tax-free salary, geographic location, and the high standard of living for professionals.

Emiratis are acutely aware of these facts, as they are that Westerners enjoy much higher salaries in the UAE than the majority of migrant workers. As one Emirati said to me, “Westerners are expensive.” Westerners are expensive, and sometimes vexing, as Emiratis often do not believe that salaries paid are equivalent to the actual qualifications of individuals.

Westerners in the UAE enjoy the support of diplomatic missions that represent powerful countries, thus to a degree they carry authority and their voices are of some consequence in the UAE. It is within this very envelope of power and consequence that Emiratis tend to feel the most encroachment upon their values and their identity. These intrusions assume a dimension of insult when anecdotal stories about Westerners’ deliberate flaunting of local cultural practices and values circulate via the mobile phones, text messaging, Blackberry broadcasts, and e-mail forwards that are a vital social apparatus in the UAE.

Emiratis have complicated and conflicting views about the general demographic imbalance. Some bemoan it while accepting it as a “temporary” necessity; others are ambivalent about Westerners, whose presence is simultaneously sought after, but also seen as potentially encroaching. Still others feel that the imbalance and all that accompanies it is another “tax of modernity,” as an Emirati friend described it to me, since Western expertise is at least perceived as being superior by Emirati decision makers.

A Western-style course of development dominates the unprecedented construction and growth of business towers, leisure theme islands, museums, universities, alternative energy projects, and luxury hotels in Abu Dhabi. The narrative associated with this change — so familiar that its Western origins are nearly taken for granted — emphasizes modernity and progress in the form of building and acquiring, in forms which are larger, taller, faster, and more sustainable than ever before.

The fact that migrants, including Westerners, do not pose a material threat to the state’s welfare generosity toward al-muwatinin (a generosity upon which the states builds its considerable strength) is somewhat immaterial to the perception many Emiratis have of losing their identity, or at least essential values, which they identify as authentically, if idealized, Gulf Arab/Emirati/Muslim/Arab/male. The dramatic compression of time associated with Abu Dhabi’s physical development, which is at once seen as virtuous and troublesome, has helped shape a dominant Emirati narrative of alarm over loss of identity, in which the values they consider most precious are being figuratively and literally built over. Although the identity label “Emirati” is itself a relatively new manifestation, it is one that matters.

The ambivalent Emirati attitudes toward Western-style development appear to be incongruous with their multi-layered

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3. I.e., higher federal salaries than foreign workers; heavily subsidized or free utilities; access to a range of grants, including housing and education, and petitions to the various shaykhly diwans. See also Anh Nga Longva, “Nationalism in the Pre-Modern Guide: The Discourse on Hadhar and Badu in Kuwait,” International Journal of Middle East Studies, Vol. 38 (2006), pp. 171-187.
familiarity and engagement with Western culture, both in Abu Dhabi and in the West. Emiratis are substantial consumers of Western movies, television shows, automobiles, websites, and books. They are very accustomed to travel in the West, especially in the United Kingdom, the United States, Germany, Switzerland, and other places in Western Europe. Some upper middle class and upper class Emiratis maintain residences in these and other Western countries. Many Emiratis have studied in and obtained higher education degrees from Western universities, not only in the United States and the United Kingdom but across Canada and Europe. There are dozens of nonstop flights between the cities of the UAE and cities in the West, from the West Coast of the United States all the way to Australia. All of these things point to an intensification of the relationship between Emiratis and Westerners.

This brief overview is intended to raise our awareness of Western migrants in the UAE, and offer some of the details that inform the interactions between Emiratis and Westerners. These interactions, and Emirati perceptions of Westerners generally, deserve a longer and more complicated treatment than the one given here, one that better reflects the nuances of the experiences as lived day-to-day. The colonial history of Portugal and even more so the United Kingdom in the territory which now comprises the UAE, for example, are certainly important to understanding the ways in which Westerner-Emirati interactions are framed in the contemporary context.

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4. Especially popular with Emiratis have been Western self-help books like *The Secret* by Rhonda Byrne, and the works of Brazilian author, Paulo Coelho — who wrote the introduction to an English-language collection of poetry by Muhammad bin Rashid al-Maktum, Vice President of the UAE and Ruler of Dubai. These authors and many others are widely available in English and Arabic translation (as is a huge variety of contemporary Western writing) although many educated young Emiratis (35 and younger) read as fluently in English as in Arabic.

5. Not to mention places in Amman, Beirut, Cairo, and Damascus. Those Emiratis who can afford it often escape the heat of the Gulf summers by traveling, if not to Europe, to the cooler climates of Lebanon and Jordan.
Iranian Migrants in the Arab Countries of the Persian Gulf

Shahnaz R. Nadjmabadi

This essay examines migration from the Iranian coastal region of the Persian Gulf to the nearby Arab countries. At the center of this research are questions of cross-border relationships, the construction of transnational spaces in border migration, and strategies for maintaining networks in both the home and host countries. The transnational space connecting the Iranian coastal region and the Arab countries resembles other cases of “border migration.” However, in the Iranian case the transnational spaces of migrants’ lives have to be situated within the long historical relationships and shared culture between Iran and the Arab countries.

Early waves of emigration from the Arab countries to Iran, and vice versa, since the middle of the 18th century led to the creation of Iranian communities in the Arab countries. The members of these communities developed and maintained dense and narrow networks to their home villages on the Iranian coastline. The geographical proximity, the shared history, and the resulting transnational spaces contribute to the position of privilege experienced by the Iranian migrants in the Arab countries today, in contrast to those migrants coming from South and Southeast Asia.

This essay examines present-day forms of migration,1 with a particular focus on “the process by which immigrants forge and sustain simultaneous multi-stranded social relations that link together their societies of origin and settlement.”2 The research for this essay draws primarily from ethnographic fieldwork in the Iranian province of Hormozgan, particularly the district of Gavbandi,3 conducted during numerous research field trips between 1977 and 2007.

BUREAUCRATIC STRUCTURES OF MIGRATION BETWEEN IRAN AND THE ARAB STATES

Before the 1960s, emigration from Iran was not subject to rigid bureaucratic regulations. In the 1970s, the ease of movement between Iran and the Arab countries came to an end, and stricter visa and immigration regulations were imposed. Until this point, the geographical and political border was barely perceptible to the coastal inhabitants, and the strong affinity within the Arab-Iranian space was emphasized. As a consequence of the first migratory waves in the first half of the 20th century, a very strongly interconnected Iranian community emerged in the Arab countries. These communities and networks facilitated continued interactions between their members and those left behind in Iran and contributed to the realization of the flexible forms of migration that exist today among most Iranian migrants living and working in the Arab countries of the Persian Gulf.

3. In 2008 the name of Gavbandi was changed to Parsian. As the presented material refers to the years before that date, I use the old name Gavbandi.
With the political changes in Iran in 1979, the Arab countries imposed ever stricter controls on the entry of Iranians. Earlier, the coastal inhabitants had not been asked about their origin and nationality, as Iranian workers were urgently needed. However, nowadays they are required to provide details about their region of origin and their length of stay.

Despite the tightened procedures for migration, the flow of labor from Iran worked in favor of the Arab countries, especially the private sector employers and those states with very small local populations such as Qatar and the United Arab Emirates (UAE). In fact, the UAE provided incentives to Iranians interested in relocating. As the migrants tell it, Shaykh Zayed, then President of the UAE and ruler of Abu Dhabi, personally promoted the immigration of Iranian coastal inhabitants to the UAE. He invited them to settle on the island of Delma. In promoting this migration, Shaykh Zayed and other officials assured the potential migrants that they would be integrated as “natives” into the societal hierarchy of the Arab Emirates since their language as well as their identity was Arabic. They were to come and bring with them as many emigrants as possible. Shaykh Zayed personally and publicly assumed responsibility for their well-being.

OCCUPATIONS OF THE IRANIAN MIGRANTS IN THE ARAB COUNTRIES

Today’s migrants from the Iranian coastal region are predominantly men who leave their families behind and commute between their home villages and their workplaces. The decision to stay long-term or for several years only develops when the migrants have sampled various jobs and can then evaluate the effect of their absence on their homes. The migrants frame their perception of everyday life in the Arab countries within the dichotomy between host country and home village. They view the Arab countries as modern and wealthy, but without natural space. In contrast, they see the coastal villages in Iran as undeveloped and poor, but rich in nature. Despite the modernity and wealth of the Arab cities, the migrants’ lives are usually confined to narrow living quarters, hard work, and limited leisure time. What leisure time they do have they spend almost exclusively with their Iranian room or flatmates.

The migrants, particularly the Arabic-speaking groups, explain that working and living in the Arab countries is not like living in a completely foreign country. They find the customs, traditions, and modes of dress in the Arab countries to be similar to those in the Iranian coastal villages. In addition, since many of the Iranian migrants join relatives already living in the Arab countries, they are able to retain many aspects of their lifestyle and behavior patterns. Socializing takes place primarily with other members of the Iranian community, and it is in this context that special events and religious holidays are celebrated. These celebrations often feature Iranian foods and Iranian musicians invited from Iran.

Transnational spaces are evident in public and commercial contexts. Many of the businesses created by Iranians in the Arab countries engage in activities oriented, at least in part, toward Iran. Markets, called bazar e irani (the Iranian Bazaar), offer a range of Iranian imports, including foodstuffs, handicrafts, and mass produced products. These markets are spaces that span national borders and facilitate transnational social relations.

An important distinction among the Iranian residents in the Arab countries is between those who have citizenship in the host country through naturalization and those who are officially and formally temporary migrants. Until recently, citizenship was granted to outsiders only through special, personal arrangements with local rulers. It is still quite difficult to acquire citizenship, even after 20 to 30 years of residence. Those naturalized Iranians, called movatten, have privileges that distinguish them from other Iranian migrants. As citizens, they are entitled to benefits in housing, healthcare, and education offered by the state. Despite these benefits, naturalized citizens are not viewed as equal to those born into the Arab tribal society. Those are the “true Emiratis” or “real Qataris.” Naturalized citizens do not always receive equal rights, and only a few of them have ever achieved key political roles. Yet, their status is significantly different enough
from the other migrants to be a salient and sometimes tense social boundary.4

VISITING THE HOME VILLAGE

Periodic visits to the home village take place at least every two years, but some migrants return more dependant upon their employment arrangements. Many migrants return more often now that they can travel by air. The short flight is much easier than the long and tiring journey by boat. The family reunion has become a ritual. When communication back and forth was limited to letters and the infrequent phone call, the return of a migrant was an event for the whole village. The returnee had to stay at home for several days to receive visitors. Neighbors asked for news of their family abroad, and the returnee delivered letters and tapes from the migrants and shared many stories. Gifts, considered a greeting from “the other side,” constituted an important part of the return ritual.

Only those who have been able to build up a life in Iran can think of ending the cycle of migration and return permanently to their villages. The return is especially profitable for those who have acquired some skills during their time as a migrant and can apply these in business when they return. They may be able to open a repair workshop, a carpentry business, or go into construction. New credit facilities and state subsidies and incentives now encourage this sort of investment by returnees. For example, improved roads for the transport of goods into the interior and high state subsidies for the agricultural sector have made investment in agriculture much more lucrative. With these new subsidies, the migrants have become more active and are trying to establish themselves through manual jobs and commerce while at the same time continuing their migratory lifestyle.

CONCLUSION

From the above we may conclude that all my Iranian interview partners acknowledged their economic dependence on their earnings in the Arab countries. Education, local community development, and medical care are facilitated through the financial support that the migrants give to their home villages. However, I am suggesting that the mutual interdependence of the economic players on both sides of the Persian Gulf is caused mainly by the common regional experience and memory that is creating a transnational space in which new forms of affinity and solidarity are being developed. It is this deep feeling of belonging together and the special forms of solidarity that are at the root of transnational relationships enhancing migratory movements.

Over the past decade, migration to the wealthy states of the Arabian Peninsula has emerged as an increasingly central facet of scholarly attention to the region. This attention has resulted in the exponential expansion of our collective knowledge, and the near future promises even more nuanced and microcosmic analyses as recent and current fieldwork in the region bears fruit. Nevertheless, there has been little discussion of the “labor camps” in which many of the unskilled migrants dwell during their sojourn in the Gulf states. For nearly eight years, my own research has focused directly upon the South Asian migration flows to the states of the Arabian Gulf. Because of the ethnographic nature of my research, much of this time has been spent in labor camps with men from India, Sri Lanka, Nepal, Pakistan, Bangladesh, Egypt, and a handful of other places that send large contingents of unskilled labor to the region.¹

The term “labor camp” is broadly used in the Gulf states to refer to a wide variety of labor accommodations. In the most general terms, we can discern four distinct types of such dwellings: First are the large and well organized labor camps that typically house the labor forces of the large public and private industries at work in the Gulf states. In general, these camps are recognized by unskilled transnational laborers as the best potential accommodations they might encounter while in the Gulf, for these large camps typically provide a constellation of amenities not always available in other types of camps, including air conditioning, a canteen/cafeteria, secure water sources, constant electricity, or recreational facilities.²

The second type refers to unstaffed apartment buildings or similar structures that contain numerous one-room accommodations, along with separate kitchens and bathrooms for communal use. Most of these buildings were constructed specifically for housing labor, although this category also includes buildings converted for this use.

Villas, the third type, are also referred to as labor camps in the Gulf states. Throughout the region, aging or otherwise undesirable villas are rented out as labor accommodations. Although these villas vary in size, they can (and often do) accommodate 50 or more laborers. Finally, many unskilled laborers dwell in ad hoc structures throughout the cities and their peripheries — in converted garages, plywood structures, shipping containers, or dwellings built from construction detritus.

There are no available data to help us understand the distribution of these camps in the city, nor do we have statistics about the distribution of labor among the various types. There is a significant contingent of unskilled labor in the Gulf states who live in apartment buildings that are not referred to as labor camps. Most of the unskilled laborers working in the domestic sector live in private residences. Nonetheless, based on my research, the labor camps have been a central feature of the migrant labor industry in the Gulf states.

¹ This research occurred primarily in the United Arab Emirates (2002), Bahrain (2002), and Qatar (2008-present), and was funded through a variety of sources, including the Wenner-Gren Foundation, the Fulbright Program, Georgetown University's Center for International and Regional Studies Migrant Labor Grant Program, Qatar University's Faculty Start-Up Grant, and the Qatar National Research Fund's Undergraduate Research Experience Program.

² For a related discussion, see Ahmed Kanna, “Dubai in a Jagged World,” Middle East Report, No. 243 (Summer 2007).
extensive fieldwork in Bahrain and Qatar, it seems clear that the majority of labor migrants working in unskilled positions in the region live in labor camps. Almost all of the men and women in these labor camps have no control over the selection of their dwelling. The *kafala* system (sponsorship system) that organizes and governs the flow of labor to the region contractually binds laborers to their employers; these employers typically place laborers in the camp they either own or rent.

In those camps, men (and, less frequently, women) typically live six-to-eight individuals per room, although these numbers vary significantly. Many states in the Gulf have promulgated regulations to limit the number of men per room, but in my experience it seems evident that these regulations are widely ineffective or ignored. Although laborers are usually unable to select their accommodation, within the camp they are generally free to segregate as they wish into particular rooms. This process has been of particular interest to me; my ethnographic work has attempted to explore the dynamics at work with this self-segregation. In general, the predominant variable seems to be language: Laborers typically seek to room with laborers with whom they can easily communicate. This often results in segregation by nationality, although in my work I have charted numerous exceptions: Men from southern Nepal rooming with men from northern India, and men from Tamil Nadu rooming with Tamil Sri Lankans.

Considering that most of the unskilled laborers in the Gulf states are from South Asia, I also have explored the impact of caste and religion upon this self-segregation. Without exception, the men I have interviewed report that caste plays an assuredly negligible role in the camps and in the individual rooms. Perhaps more interestingly, the Hindu/Muslim tensions that South Asian men often report as paramount in their home countries are extremely muted in the labor camps. As the men have noted to me, the difficult working conditions they often face in the Gulf states allow no time or energy for these conflicts. As one Indian migrant noted to me, “politics is a luxury we cannot afford here.”

The notable exception to this relatively pacific portrait of labor camps in the Gulf occurs in those situations where unskilled Arab and South Asian labor is co-housed. While contingents of unskilled Arab labor have been a fairly uncommon feature of the many camps I have visited, those camps that co-house contingents of Egyptian or other Arab unskilled labor with South Asian labor clearly demonstrated a higher level of conflict. In analyzing the experiences and perspectives of the South Asian men I have interviewed, I have concluded that the combination of linguistic, national, religious, and particularly ethnic difference enables this conflict. South Asian laborers and Arab laborers are generally unable to communicate, which certainly causes some difficulties. At the same time, these Arab laborers’ facility with Arabic empowers them in the Gulf societies. Building on the commonalities they share with members of the host societies, unskilled Arab migrants clearly wield more control over their own fate in these foreign societies. As a result, they clearly differentiate their position in those societies from those of the South Asian laborers. Typically this conflict takes the form of everyday violence — in the kitchens and bathrooms of the camps, and in the workplace.
Labor camps are not evenly distributed in the Gulf cities. Instead, these camps coagulate in particular neighborhoods or peri-urban regions of the city. Unpacking the complex forces that drive the segregation of these spaces in the larger domain of the city is beyond the scope of this essay; however, in general terms, labor camps are typically relegated to industrial zones or other marginal locations backstage to the city.3 In Doha, for example, the “Industrial Area” is a vast grid of streets, adjacent to the periphery of Doha, where light-to-heavy industry is intermixed with innumerable large and small labor camps. This “organic” or unplanned segregation of labor to the offstage zones of the city has now been joined by plans underway around the Gulf for “Bachelor Cities” and other master-planned mini-cities intended to house these unskilled migrant populations and, more directly, decrease the public visibility of these foreign labor forces in the Gulf states. Plans to move low-class South Asian men out of public view is driven by the widespread sentiment that these men pose a threat to the cultural security of the citizenry, a sentiment that incorporates gender, class, and racial anxieties prevalent in the host societies. In exploring these anxieties in a set of ethnographic interviews with young Qatari women, my initial conclusion is that these anxieties are not the product of empirical experience, but rather are best understood as the articulation of a collective anxiety concerning the security of these states’ social and cultural integrity. Perhaps these tensions are endemic to states with such a heavy dependence on foreign labor.

Families and Bachelors: Visa Status, Family Lives, and Community Structure among Bahrain’s Foreign Residents

Sharon Nagy

For the classic image of an individual immigrant arriving to set stake and soon send for family. The majority of the foreigners in Bahrain reside there without family and until the 1980s were overwhelmingly male. Nonetheless, over the past century, the unique histories and circumstances of the various nationalities resident in Bahrain have led to the emergence and entrenchment of communities of foreigners. This essay explores how immigration and employment practices in the Gulf states can directly impact the personal or family status of individual residents and shape the social structure of the various foreign populations resident in Bahrain. The distinction between family status and single status immigration is shown to have a direct impact on the personal and family lives of individual migrants and to be an important axis of differentiation within the foreign populations resident in Bahrain.

EXTENDED SOJOURNS — FROM SHORT-TERM CONTRACTS TO ENTRANCED COMMUNITIES

Bahrain, like other Gulf states, hosts large populations of foreign residents. Migration to the region predates the discovery of oil and natural gas in 1936. However, the subsequent economic development led to enormous demographic shifts in the second half of the 20th century as laborers, investors, and accompanying family members took up residence in the country. Today, Bahrain’s population is approximately 60% Bahraini and 40% non-Bahraini. Yet, 64% of its workforce is non-Bahraini. 1 Naturalization policies are restrictive enough that most foreigners cannot begin to imagine obtaining citizenship. Instead, they hold temporary residency permits linked to employment contracts of two to three years in duration. Residence visas linked to short-term employment create a circumstance in which the foreign population is understood as relatively transient.

Although the reliance on foreign labor is accepted as a long-term situation, individual foreigners are expected to remain in the Gulf for a relatively short time. Although the standard contract length is two to three years, both employers and employees recognize the value of renewing a contract when the work and worker are compatible. Three contract cycles would keep a person in the Gulf for nine years. Most stakeholders in the migration cycle would consider a two to ten year average stay a safe estimate. The foreign residents often explain their decision to migrate to the Gulf as part of a short-term plan to move them closer to a life-cycle event or an economic goal. They may plan on staying for four years, until their children are out of school or until they have saved enough to furnish an apartment allowing them to return and marry. At the other end of the life-cycle are those who plan that “six years at this salary will get me to a comfortable retirement.”

The idea of the migrant’s experience as a sojourn rather than as emigration is rein-

1. Human Rights Watch.
forced, and perhaps shaped, by the nature of employment and immigration practices. Not only is naturalization restricted, but employees with insufficient income cannot obtain residency permits for family members. Consequently, the overwhelming majority of foreign workers are in Bahrain without family. Such workers are commonly referred to as “bachelors” — whether or not they are single or married. Bahrain’s “bachelors” include factory and construction workers, drivers, manual and janitorial workers in businesses and homes, and skilled workers in factories, repair shops, and construction. Until recently, single status workers were overwhelmingly male. With the expansion of the service sector and the entry of Southeast and East Asian workers into the recruitment pool, single females have become ubiquitous among Bahrain’s labor force as they have among migrants globally.

Even if one earns sufficient income to apply for family residency, the terms of employment may not permit them to do so. Contracts may specify that the employer will provide visas only for single, unaccompanied employees with local marriage and/or pregnancy grounds for termination and repatriation. Other practices limiting the possibility of extending or establishing families locally include rules against romantic relationships with co-workers, bureaucratic knots that complicate the process of aligning the visas of spouses who meet and marry in the country, mandatory retirement at age 60, and, in the case of Qatar and Oman, laws that prohibit or restrict citizens from marrying foreigners. The availability of housing, which for many is provided by the employer, also can present an obstacle to family residence. Employees whose contracts provide for labor camp, dormitory, or shared apartment housing will not be allowed to house family members. Thus housing for family would be at the employee’s own expense and possibly beyond their economic means. These prohibitive or disciplinary actions by employers certainly contribute to the limited tenure of many foreign residents. Still, many others remain beyond their initial contract. For, despite the strong rhetoric and discourse of transience, the foreign communities are well entrenched, and individual and family histories in the region extend well beyond the two to ten year estimate.

Like the personal and family status of individuals, the resulting long-term populations are shaped by immigration and employment practices. The unique circumstances of each of these populations — size and duration of migration, cultural and linguistic practices, and occupations — also distinguish them from each other. While foreign residents hail from all corners of the globe, each corner is not equally represented in the population or in specific occupations.2 Most observers agree that South Asians and non-Gulf Arabs comprise the largest portion of the foreign population. Multiple factors, such as geographical and cultural proximity, political relations through British India, and shared language contribute to the magnitude of migration to Bahrain from South Asia. It was not until the late 1970s that workers were systematically recruited from the countries of Southeast and East Asia, including the Philippines, Thailand, Indonesia, Korea and, more recently, China.

As might be expected, the distribution of nationalities across the occupational strata is far from random or neutral. The unique histories and circumstances of each population’s recruitment and migration to Bahrain and the differential occupational status contribute to the variable social structures within and among each of the nationalities in Bahrain. Most obvious is the clear occupational hierarchy linked to nationality.3 Less obvious to observers are the hierarchies within nationalities. The longer standing nationalities are more complexly structured along axes of class, ethnicity, and family status. Nationalities that only have recently begun to constellate in Bahrain are not (yet) as evidently divided along these axes.

3. Nagy, “This Time I Think I’ll Try a Filipina” and Nagy, “Making Room for Migrants.”
South Asians from India, Pakistan, and Bangladesh are among the largest and longest standing foreign residents in Bahrain. Consequently, the South Asian population — with residents from the various states, ethno-linguistic, and religious groups of South Asia — is quite varied and complex. Distinctions from South Asia overlap with occupational and status differentiations structured by the employment and immigration practices in Bahrain. One important axis of differentiation among South Asian residents in Bahrain is the duration of one’s residence in Bahrain and their family status. Some claim family residence in Bahrain spanning generations. Others are recent arrivals recruited for short-term labor contracts. The first group comprises multiple generation extended families resident in the Gulf who may live in either conjugal or extended family households. Among this group are foreign residents born, raised, and schooled in Bahrain who have now started their own families and careers there. The second group comprises cohorts of mostly male laborers recruited as “bachelors” and female garment or household workers. While the South Asian merchant and professional class has a presence among Bahrain’s middle class populations, the large laboring underclass is marginalized from access to many urban spaces and resources. Bachelors working in skilled and professional positions fall between these two groups. While they have access to housing, transportation, and other amenities and services not available to their compatriot laborers, they rarely have the resources or cultural capital to establish family residences in Bahrain.

Non-Gulf Arabs and Iranians have a similarly bifurcated population. New migrants from these countries are recruited as “bachelors.” Others, whose families have been living in the Gulf since the mid-20th century, occupy positions that allow them to bring family members to reside in Bahrain. Early Iranian and non-Gulf Arab residents are the most likely to have acquired or applied for Bahraini citizenship. The relatively recent options to apply for naturalization require that the applicant not married to a Bahraini citizen be Muslim, have resided in Bahrain for a minimum of 20 years, and speak Arabic. Residents with ethno-religious origins in other Arab or Muslim countries are most likely to meet these requirements.

Southeast Asian and East Asian populations in Bahrain are not as distinctly bifurcated as the South Asian, non-Gulf Arab, and Iranian populations. These groups are relative newcomers to the Gulf, and the communities of long-term residents have not had time to take shape. For example, the Philippine government crafted their Overseas Employment Program in 1974 to take advantage of the then-economic boom in the Gulf. The first workers from the Philippines were recruited for construction work in Saudi Arabia. In the 1980s, hospitals throughout the Gulf began recruiting nurses and medical technicians from the Philippines, but it was the expansion of the hospitality, leisure, and service sector in the Gulf that contributed to a significant increase in recruitment from the Philippines. By the mid-1990s, Filipina/o workers were common in hospitals, hotels, and shopping malls, working beside Bahraini and South Asian colleagues in banks, software and design firms, and insurance companies, as well as laboring in local households. Despite the growth and visibility of the Filipino population in Bahrain, they still comprise only 4% of Bahrain’s total population and fewer than 10% of its foreign population. Furthermore, labor recruitment from Southeast Asia and Asia until now has been heavily focused on domestic, service, and laboring occupations, jobs that do not qualify the employees to obtain residency permits for family members. Despite the still limited size and duration of their residency in Bahrain, signs of community formation and eventual entrenchment are evident in the development of community, occupational, and religious organizations and schools serving these populations. The fact that single women comprise

5. Residents originating in or holding passports from Palestine, Jordan, Egypt, Lebanon, Syria, and other Arab states not in the Gulf Cooperation Council.
Nagy...

a large segment of the Filipino population in Bahrain eventually may have a unique impact on the emergence of a long-term Filipino population. Marriages between Southeast Asian women and men of other nationalities, including Bahrainis, are increasing in frequency. This may be partially due to the preference for exogamy among Filipinos and for hypergamy among Gulf Arabs.8 These marriages may challenge the closed, rigid boundaries among national groups in ways that the South Asian and non-Gulf Arab communities have not and may become a novel way of establishing local families and community.

CONCLUSION

This cursory comparison of the range of foreign communities in Bahrain demonstrates that the unique circumstances of their migration histories, their positions in occupational hierarchies, socio-cultural specificities, and the duration of their migration to Bahrain are reflected in their different internal social structures. The distinction between family and single status visas is an important factor in all the cases. Not only can the balance between family and single status members impede or facilitate the establishment of community institutions, but the distinction between family and bachelor status provides an axis of differentiation that reinforces economic distinctions marginalizing and stigmatizing the “bachelors.”

III. Responses and Reflections
The six states of the Gulf Cooperation Council (GCC) have over five million migrant workers — one of the highest concentrations of migrant workers in the world. According to the World Migration Report (2003), 25% of the workers in Saudi Arabia, 65% in Kuwait, 67% in the UAE, and as much as 70% in Qatar are immigrants or non-nationals. Most of these immigrants are from South Asian countries such as India, Bangladesh, Pakistan, and Sri Lanka. The discovery of oil in the early 20th century opened new avenues for international movement. The 1973 spike in oil prices enabled Gulf countries to rapidly expand their economies and thereby attract Asian workers.

During the past 20 years, the flow of Asian workers to the Middle East has increased markedly. The proportion of non-nationals (often referred to as expatriates) to the total population has prompted concerns in receiving countries about the negative impact of dependency on a foreign labor force. Countries such as Saudi Arabia, Oman, UAE, and Qatar have instituted new “localization” policies, where a significant proportion of jobs are reserved for local people (i.e., for nationals only). This essay focuses on the localization policy adopted by the Sultanate of Oman, popularly known as the Omanization program.

Following Sultan Qaboos’ accession to power in 1970, Oman embarked on a program of economic liberalization and modernization. The discovery of oil, which opened new vistas for job opportunities, attracted thousands of migrants to Oman. Between 1970 and 2000, the percentage of foreigners in Oman steadily grew. Population figures since 1980 show a constant increase in the proportion of the non-Omani population. At the end of 2002, the number of expatriates in Oman was 668,000, out of a total population of 2.5 million. The dominance of foreigners is more pronounced in the work force than it is in the total population.

Source: Statistical Year Book, Ministry of National Economy, Oman
1. Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE).
2. The term “localization” has a specific socioeconomic connotation; it is used to indicate nationals and issues related to nationals. Gulf nations view localization as the desired alternative to perpetual dependency on expatriate workers.
3. Omanization is a program instituted by the Government of Oman in 1988 that aims to provide various opportunities to increase participation of Omani labor in Oman’s economy and to reduce dependence on expatriate labor. The present study is primarily based upon the analysis of secondary data made available by Government of Oman. Statistical Year Books since 1984 published by Ministry of National Economy provide substantial information related to employment (Omani and non-Omani), sectoral distribution of economic activities and various demographic indicators. Various policy documents like Five Year Plans (fourth, fifth, sixth), the Census of Oman and facts and indicators of Five Year Plans provided important information to gauge the impact of Omanization on employment.
4. An expatriate is defined as any person living in Sultanate of Oman who is not a citizen of Sultanate of Oman.
From 13.77% of the population in 1980, the expatriate population increased to 26.75% in 1993. There was a rapid increase in expatriate labor force between 1991 and 1996. The Iran-Iraq War (1980-88) and the 1991 Iraq War helped to attract migrants to this country. At the time of the first census (1993), non-Omanis constituted 61.4% of the total labor force while OMANis constituted only 38.6%. There were three non-Omanis for every two Omanis engaged in the labor force. Since 1997, the percentage of non-Omanis has slowly declined. The most recent (second) Census of 2003 reports this share to be 23%. Yet, expatriates still constituted more than 75% of the total work force.

Oman is a labor importing country, drawing most of its foreign work force from Asian countries such as India, Bangladesh, Pakistan, and Sri Lanka. At the same time, however, Oman is a “young” society; an estimated 41.2% of its population is under the age of 15, and 53.9% is in the 15-to 60-year-old bracket. Statistics show that every year almost 30,000 students successfully complete their secondary schooling and are ready to enter the job market. The tussle in the job market starts at this juncture, as most young Omanis entering the job market find it difficult to get a job. The reason for this is the lack of vocational/higher education and/or the lack of practical work experience compared to expatriate laborers working in similar positions. This type of unemployment among local youths poses a major problem for Omani citizens and their government. Oman’s development policy includes an “Omanization” drive aimed at increasing the percentage of Omani citizens in the labor market.

THE OMANIZATION POLICY

The Omanization plan, implemented in 1988, strives to reduce the country’s dependence on expatriate manpower by substituting Omani nationals for foreign labor.

Rationale

1) Positions currently held by expatriate workers could be easily occupied by Omani nationals.
2) Replacing expatriates with Omani workers also would help reduce public spending on subsidized services (electricity, water, health) consumed by expatriates.
3) The substitution of expatriate workers by Omanis also would help to reduce Oman’s balance of payments deficit because workers’ remittances, which amounted to $1.7 billion in 1996, would be lower.
4) The substitution of expatriates by Omanis could well lead to an increase in domestic spending through the multiplier effect, and thus contribute to faster GDP growth. With this rationale, concrete steps were planned and implemented during the fourth (1991-95), fifth (1996-2000), and sixth (2001-2006) Five-Year Plans.

Occupational Quotas for Omanis

Under the Omanization drive, the following occupations were reserved for the citizens of Oman only.

Specialists: Lawyer, Civil Engineer, Accountant, Legal Adviser, Department Manager
Technician: Primary School Teacher, Nurse, Architectural Draftsman, TV Cameraman
Occupational Worker: Accounts Clerk, General Car Mechanic, General Sales Person, General Leather Worker
Skilled worker: Leather Worker, Welder, Typist, Electrician
Limited skilled worker: Newspaper Vendor, Machine Operator, Car Repair/Fitter

Statistics show that every year almost 30,000 students successfully complete their secondary schooling and are ready to enter the job market. The tussle in the job market starts at this juncture, as most young Omanis entering the job market find it difficult to get a job.
Das and Gokhale...

Strategic Programs Undertaken for Effective Omanization

- The Ministry of National Economy ascertains demand for labor by occupation and guides job seekers into specific vocational training tracks. Firms that request new permits for expatriate workers are required by the Ministry to prepare an Omanization plan that lays out how they intend to achieve the relevant industry targets.

- Influx Controls on Expatriate Workers: This policy consists of using an overall ceiling on the influx of expatriate workers and allocating work permits to employers in such a way so as to meet the overall ceiling.

- In 1994, Oman also started to impose fees on the hiring of foreign workers. These fees are paid by the employer and set aside for human resources development often referred to as “training contributions.”

- Thousands of illegal workers were deported, many on the grounds of amnesty to create space for citizens.

- Priority in the awarding of government contracts to private companies with Omanization target fulfillment.

- Entrepreneurial development program for Omani youths: the SANAD program. This program was established to develop entrepreneurs and placed under the supervision of the Ministry of Manpower. Under craftsman and vocational categories, small loans are granted after fulfilling necessary requirements. Some of the major occupations included under this program are grocery (foodstuff) shops, vegetable and fruit shops, the sale and supply of electrical items, delivery vehicles, sale of fish, butchery shops, car washes, etc.

IMPACT OF OMANIZATION

Since 1995, the policy of Omanization has reduced the share of expatriate workers in both the public and private sector. Between 1995 and 1998, the share of expenditure in public sector employment decreased from 22.3% to 20.8% and in private sector employment declined from 85.2% to 81.6%.

During the fifth Five-Year Plan, the Omani labor force increased by about 5.1% compared to 2.3% for the expatriate labor force. The Omanization rate increased in the private sector from 14.7% in 1995 to 16.6% in 2000. The Omanization data in the private sector indicates that the sectors least affected by the plan are agriculture and fishing; wholesale and retail trade; restaurants and hotels; manufacturing; the construction of roads and buildings; and community and personal service. In these sectors, 88% of the total private sector employees are employed and 95% of total expatriate workers are engaged.

The highest Omanization rate has occurred in the following sectors: transport, storage and communication; finance insurance, real estate and labor services; mines and quarries; and electricity, water, and gas. But these sectors employ only 8% of total private sector employees.

The Omanization program has influenced the various aspects of the economy in some way or another. These effects can be classified under two categories namely impact on economy and impact on migration. Unemployment in Oman is mostly confined to first-time job seekers. The age at entry in the job market is between 15 to 20 years. At this young age, most Omanis find it difficult to get a job as they do not have professional or vocational training. There is a very low level of conformity between labor market needs and educational system output. Employers often refrain from employing Omanis due to their inadequate technical and vocational expertise. Sometimes preference is given to expatriates due to
lower wages and allowances and their readiness to work under any situation.

Demand for expatriate labor in the coming years will be affected by the growth of the economy, the creation of new jobs, and the force with which the Omanization plan will be implemented. Though the percentage of expatriates is declining, the actual number is rising. In 1996, there were 27.64% (612,000) migrants compared to 25.98% (624,000) in the year 2000. Statistics show a decline in the proportion of the expatriate labor population. The occupations that are currently under a strong Omanization drive are replacing migrants with Omans. In such cases, return migration to native countries or migration to some other Gulf country is the only available option.

The present Omanization program targets neither highly skilled occupations nor unskilled and hazardous occupations. For both categories, the country will have to depend on expatriates for a few more years (i.e., until locals are sufficiently skilled to work in these occupations). Educational enhancement and changes in mindset are two essential factors in determining the scope of Omanization in these occupations. A change in mindset will help Omans enter and sustain private sector employment without limiting themselves to white collar government jobs. It is possible that for the next few years the government may not force an Omanization drive of certain unskilled and hazardous occupations, such as quarry work, domestic work, and cleaning jobs — for which expatriates will be welcomed.

The Omanization campaign may cause a state of confusion and insecurity among the expatriate labor force. The Government of Oman will have to devise a strategy by which an atmosphere of mutual trust and interest will be maintained because expanding economic activities aim at providing gainful employment to locals as well as to expatriates. In the future, the demand for foreign workers, and particularly for Asians will depend on several factors, such as the number of young nationals entering the labor market and the effect of the localization of labor markets (mainly due to government regulation); the capacity of Oman’s economy to generate new jobs; the development of locals based on vocational training and skills-based courses; and the reduction of the gap between the needed and available skills of locals.

CONCLUSION

The economics of Gulf prosperity are the result of development through economic liberalization. Labor receiving countries, such as Oman, rely on immigrants for the functioning of their economy, while labor sending countries such as India, Pakistan, Bangladesh, and Sri Lanka count on remittances as an essential source of foreign exchange. Current localization policies in Gulf countries in general, and Oman in particular, play a key role in deciding future migration trends by reducing unemployment among locals through limiting the inflow of foreign workers. However, such localization policies carry risks. Looking to the future, Oman could face a labor crisis due to its rapidly expanding economic activity. The demand for labor may be much higher than the domestic supply. Therefore, it remains to be seen how successful the policy of Omanization will be in sustaining the domestic economy by replacing the immigrants with local labor.
Paradigm Shifts in India’s Migration Policy toward the Gulf

Binod Khadria

From fewer than 258,000 in 1975, the migrant Indian population in the Gulf rose to 3.318 million in 2001 and is now estimated at over four million. Indian migrant workers in the GCC countries belong to all three categories of labor: 1) professionals (e.g., doctors, nurses, engineers, architects, accountants, and managers), 2) semi-skilled workers (e.g., craftsmen, drivers, artisans, and other technical workers), and 3) unskilled laborers in construction sites, farmlands, livestock ranches, shops and stores, and households.

Indian white-collar workers and professionals comprise only about 30% of the Indian workers in these countries; the rest are semi-skilled and unskilled workers. The highly skilled and technically trained professionals remain in great demand in the government departments and public sector enterprises, and they also earn high salaries and attractive emoluments. They also are allowed to bring their families. Children are allowed to stay with parents until their education is completed. However, Indians, like all other expatriates, are not allowed to acquire citizenship through naturalization. Life in general is comfortable only for the professionals and white-collar workers in the Gulf. They are able to maintain contacts with compatriots and nationals, form associations, and participate in socio-cultural activities.

After the 1990-91 Gulf War the number of low-skilled Indian workers in the Gulf declined due to Indian government restrictions (i.e., tight monitoring of the Emigration Clearance Required, or ECR, passports). However, the flow soon resumed to pre-Gulf War levels. This has facilitated the proliferation of recruitment and placement agencies, sometimes colluding with prospective employers to prey upon and dupe illiterate job seekers.

Notwithstanding the recent initiative, the Indian government still does not have in place a comprehensive policy on labor migration or overseas employment, whether for skilled migration to the West or unskilled migration the Gulf. Yet, the Indian policy paradigm for migrants in the Gulf nonetheless can be said to have shifted from protective/restrictive, to welfare/compensatory, to developmental/restorative. The 1983 Emigration Act, which replaced the 1922 Emigration Act, has been designed mainly to ensure protection for vulnerable categories of unskilled and semi-skilled workers, and women going abroad to work as housemaids and domestic workers. The Act provides a regulatory and legal framework in respect to emigration of Indian workers for overseas employment on a contractual basis. Under the Act, all “Recruiting Agents” are obliged to register with the government before recruiting for overseas employment. Mainly comprising a large number of private sector players, this includes nine State Manpower Export Corporations established by the governments of Uttar Pradesh, Andhra Pradesh, Kerala, Punjab, Tamil Nadu, Karnataka, Himachal Pradesh, Haryana, and Delhi. At present, active private sector recruiting agents are mainly located in Mumbai, Delhi, Chennai, and

the state of Kerala. Registered agents are held responsible for worker complaints regarding non-payment or delayed payment of wages, unilateral changes in the contract, arbitrary change of jobs, denial of employment, and inhuman working and living conditions, etc. A proposed amendment to the 1983 Emigration Act\(^4\) is aimed at curbing the activities of, and protecting migrant workers from illegal recruiting agents that operate clandestinely.\(^5\)

The new Ministry of Overseas Indian Affairs, constituted in 2004, has taken the initiative to bring about a paradigm shift by amending the Emigration Act (1983) and introducing welfare measures to complement its protection objectives, such as:

- An e-governance project to modernize the offices of the Protectorate of Emigrants (which administers the Emigration Act and the associated ECR monitoring) and make emigration of uneducated workers simple, transparent, and orderly.

- A Universal Integrated Electronic Remittance Gateway, a partnership between the Ministry of Overseas Indian Affairs and Indian banks, aimed at making the transmission of remittances more convenient and less costly.

- Pravasi Bharatiya Bima Yojana (PBBY), since 2006 a compulsory insurance policy with an enhanced cover of 500,000 rupees for all worker migrants recruited by agents. An increasing number of insurance companies are to provide cover at a reasonable premium for contingencies such as death, physical disability while in employment abroad, transportation of the body in case of death, maternity benefits for female migrants, medical benefits for families of migrants in India, etc.

- An Overseas Indian Workers’ Welfare Fund.

The Indian government also has introduced the landmark Overseas Citizenship of India (OCI) initiative, which affords partial dual citizenship benefits. (To date, mainly highly skilled migrants settled and naturalized in developed countries have taken advantage of these benefits.) Another measure, which is primarily intended for Indian workers in the Gulf — who send large remittances back home but can never hope to become naturalized citizens of the countries where they work because of restrictive regimes — grants Indian citizens abroad the right to vote in India elections.\(^6\) The modalities for operationalizing this measure are being worked out and are expected to be in place by the next general election in 2014.

These two major policy measures aim to empower migrant workers to participate in India’s socioeconomic and political development rather than merely looking to India for protection and/or welfare. The measures are complemented by the introduction of Pravasi Bharatiya Samman awards to 15 overseas Indians each year “to recognize achievements of the Indian Diaspora and their contribution to strengthening of India’s relations with other countries, promoting the honour and prestige of India, and fostering interests of overseas Indians.”\(^7\)

CONCLUSION

Over the years, Indian policies with respect to labor migrants in the Gulf have evolved from a narrow emphasis on


\(^6\) The Indian government had announced this step at the fourth Pravasi Bharatiya Divas (PBD) at Hyderabad in January 2006, and reaffirmed its commitment recently at Delhi at the eighth PBD in January 2010.

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Over the years, Indian policies with respect to labor migrants in the Gulf have evolved from a narrow emphasis on protection/restriction to the implementation of welfare initiatives, and most recently to developmental/restorative measures.

protection/restriction to the implementation of welfare initiatives, and most recently to developmental/restorative measures. It is still too early to gauge the impact of the developmental measures, which are in their infancy. Maximizing their impact will, of course, depend on the extent to which migrants avail themselves of these measures. But it also will depend on a change of attitude toward Gulf migrants who, unlike many IT professionals and other talented Indians who are considered a source of pride, have been regarded merely as a burden. In addition, it will require that the interests of the stakeholders in the Gulf be examined, and that innovative programs to involve them in India’s development be implemented effectively.
Labor Migration in the GCC Countries: Reflections on a Chronic Dilemma

Mohammed E. Dito

After four decades of successive waves of labor migration to the GCC states, three fundamental questions are still subject to debate: In what way can we better comprehend the role and functions in the Arab Gulf societies of this unique phenomenon? How should we assess the labor migrations policies adopted by the countries of this region? What are the possible outcomes of the current trends of this process?

Both the scope and depth of knowledge needed in this area requires collaboration between different social science disciplines. It is precisely the weakness of this collaboration within the context of research on labor migration in the GCC that constitutes the first obstacle to an objective assessment of this phenomenon. Despite the significance of the knowledge gained by many researchers on labor markets, the sociological, economic and political aspects of this process, a holistic picture is still missing. This is partly attributable to the high level of specialization in each discipline. However, it also is due to the political sensitivity of the subject, especially to GCC decision makers. There is no better example of this sensitivity than the persistence of the use of the official term “temporary contractual labor” instead of “labor migration.” Fear rather than ground realities are responsible for the persistent use of the term — fear of “potential demands” for the granting of citizenship to migrant workers (though hard evidence of such demands is lacking). This fear reflects a sense of “losing control” of the situation that has become increasingly apparent and acute. But such fear has never been, nor can be, the basis for a constructive approach to better labor migration governance. On the contrary, it is likely to produce more problems and dilemmas for policy makers energized by it. Rather engaging in a terminological battle, it would be more productive to look at how assessments of the labor migration process can be improved.

An important condition for any evidence based assessment of labor migration impact is the existence of reliable basic statistics and data. Yet, data on foreign workers in the Gulf region is inadequate. For example, each country relies on different sources, making the overall comparison between them extremely difficult. The scope of the data also is problematic: inflows-outflows, employment-related classifications (i.e., workers, foreign domestic workers, and occupational classifications), the number of labor disputes, and health and safety conditions are just some of the types of “evidence” that are not in place, either because they are not collected systemically or not published in the GCC states.

In fact, the absence of reliable information on the many aspects of labor migration in this region contributes to making the assessments highly disputable and subject to political manipulation by the receiving and sending countries. The lack of a unified framework for collecting, processing, and distributing data on migrant workers in the Gulf and between the different sending countries is one of the major obstacles to effective cooperation between sending and receiving countries. The lack of such a framework blinds policy makers to the realities of labor migration and prevents researchers from evaluating the associated achievements and obstacles. This leads to “trial and error” approaches on the practical side and speculation on the theoretical side.

One important aspect of evidence-based assessment is the relationship between hid-
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Dit manifestation on the process of labor migration. This becomes more relevant as we seek to assess the impact of labor migration on the individual lives of migrants and citizens of the Gulf. Labor migrants gain better job prospects than in their home countries, but are not accorded full political, economic, and social rights. Meanwhile, Gulf citizens enjoy higher living conditions as a result of the combined effects of oil revenues and the “choice” of using foreign labor. Yet, these citizens experience feelings of “alienation” in their own countries due to the fact that they are becoming increasingly a “minority” compared to the vast numbers of foreign workers living among them.

An interesting yet often neglected aspect of the assessments on labor migration to the GCC relates to the way that we comprehend the two sides of the process itself: How much is it a labor issue (a process directly related to labor market conditions), and how much is it also a migration concern inasmuch as it resembles the situation of people working outside their countries of origin?

The subjects related to labor or migration are neither the same nor mutually exclusive. It is the necessary appreciation of the interaction between smaller and wider circles of the labor migration process that is often missing in the vast wealth of literature on it. Indeed, few scholars have sought a deeper insight into the critical and decisive roles and functions played by foreign workers in the socioeconomic and political constructs of the Gulf societies. This is not surprising, as both local academic and policy research work in this field are driven and affected mostly by decision makers’ policies and priorities. Its main subjects are the structure, size, and impact of the foreign workers on the labor market, with frequent repetition of the “cultural threat” argument used by advocates of controlling or halting the inflow of migrant workers to the Gulf.

For all the reasons mentioned above, a realistic assessment of the outcome of labor migration to the GCC cannot be that which sees it as an absolute good or curse. The reality is rather nuanced.

What, then, might be a starting point for an approach to assessing labor migration that is attuned to these nuances? At its core, labor migration in the Gulf is a manifestation of the relationship between “us” (Gulf citizens) and “them” (non-GCC citizens) within the historical construct of this relationship after the 1973 oil boom.

This relationship has many dimensions — economic, social, and political. To date, most studies have focused on the first two dimensions. Many have argued that migrant workers are needed due to skills shortages, large development projects, and the small size of local populations. This was the case after the first oil boom in 1973, and again during the 2004-2008 oil boom. Indeed, the same argument re-emerges every time there is an increase in public expenditures with contracts awarded to the private sector for “development” projects. These arguments seem “natural” — a matter of “fate” rather than a consequence of development policy choices. But they alone do not explain the “persistence” and in some way “addictive” dependency on migrant labor in the Gulf.

Two events — similar yet different — invite us to delve more deeply into the nature of this dependency: oil booms as catalysts for labor migration to all the GCC states, and Kuwait after the 1990 Iraqi invasion and occupation.

Looking closer at these events reveals the role played by two factors whose significance with regard to labor migration to the GCC countries has been under-estimated. The first is that labor migration did, and still does reflect a political choice by the state to secure its authority within the “welfare” model. The second is that this political choice has triggered a process that shaped the whole relationship between “citizens” and non-citizens of the Gulf states.

In an interview recalling the aftermath of the 1973 oil price increase, Shaykh Hisham Nazir, Saudi Minister of Petroleum (1986-95) stated: “We were building two schools every three days. We had to build seven universities. We were
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trying to do so much in a constrained period of time. So the debate was, ‘Do we import foreign labor, or do we wait until we train our labor and then carry the projects ourselves?’ And I was of the opinion then that the decision that was taken at the time to import foreign labor was a great decision.”

This “great decision,” which was made by all of the GCC states at that time, had a profound impact not only on the shape of the labor market, but also on power relations within the whole society between the citizens and non-citizens. One of the pioneering approaches in venturing into the place and role played by migrant workers in GCC societies was the insight gained by Anh Nga Longva, the Norwegian scientist who spent years in Kuwait studying the link between citizens, expatriates, and the socio-political system in Kuwait. She noted that:

Very few analysts react to the total absence of linkage between studies of Kuwaiti politics and studies of Kuwaiti labour relations. In particular, writers on democratization (Farah 1989, Ghabra 1994, Meyer et al. 1998, Alnajjar 2000, Tetreault 2001) fail to appreciate the social, psychological and political impact that a majority population of rightless migrant workers, imported for the sole purpose of serving the native minority, can have on the way this privileged minority conceptualise and practice political rights among themselves. Most analyses leave out the one social variable on which the native minority population depends for its identity as well as its material well being.

An important conclusion on the significance of migrant workers within the socio-political structure is reached when she says, “More than oil prosperity per se, it is the presence of non-Kuwaiti workers and their legal, social and political subjection to Kuwaiti citizens that allows for (1) the reproduction of a political structure with quasi autocratic features, and (2) the continued marginalization of Kuwaiti women from productive work.”

The events of 1991 in Kuwait provide us with another example on the nature of dependency on migrant workers, because it resembles a “chance” to correct what have been often criticized in the years before by both the public and the state as a demographic imbalance between Kuwaitis and non-Kuwaitis. As Rania Maktabi clearly put it: “The aftermath of the war demonstrates even more glaringly the contradiction and incongruity between the regime’s aim at reducing dependency on foreign labor, and the country’s demand for these workers’ services in order to rebuild the country and restore the pre-war level of services … the regime cannot afford the political costs of declined welfare services and goods which non-Kuwaiti labor provides, and which the Kuwaiti population has grown accustomed to … Apparently, the government prefers an option which ensures the maintenance of services provided by non-Kuwaitis, implicitly accepting the imperative result: continued import of foreign labor.” Maktabi concludes that the “citizenship policies appear to play a more powerful role in forming the post-war demographic structure of Kuwait.” The Kuwaiti regime showed many signs of reinforcing the multi-tiered citizenship system as an instrument of legitimacy.

Little is done in areas such as protection of migrant workers, especially the chronic problem of non-payment of wages, or improving safety and health conditions.

Longva and Maktabi demonstrate the crucial importance of considering the structural deficiencies within the socio-political construct of the Gulf societies when we study labor migration to the GCC. Often this consideration is lacking or pushed to the margins when looking at labor migration policies. Under the maxims of efficiency in government services and adopting private sector business culture, labor migration management tends to rely more on an “instrumental” or

“administrative” mindset. In practice, this means an obsession with “fixing” the problems by using procedural “shortcuts.” We need to stress that this approach contributes to improving certain aspects of the labor migration process, such as facilitating inflow procedures and reducing bureaucratic burdens associated with it. But they touch only parts of the whole cycle of labor migration. Little is done in areas such as protection of migrant workers, especially the chronic problem of non-payment of wages, or improving safety and health conditions. Even looking closely at the admission policies, it is clear that over the past four decades, little has changed in terms of policies adopted to manage the inflow of migrant workers. Despite “loud” calls to limit it, the increase in the number of migrants seems unstoppable.

During the last four years, there has been a noticeable decrease in the percentage of nationals in total employment: from 33% in 2005, to 28% in 2008 in the Kingdom of Bahrain and from 32% to 25% in Oman. Only Saudi Arabia has maintained a constant level (46%) of nationals in the workforce.6

The main sources of the corresponding increase in the number of foreign workers are diverse, but not isolated from each other. The so-called “fourth oil boom” (2002-2008) generated massive revenues for the GCC states (from $91.1 billion in 2002 to $355 billion in 2007). This facilitated massive public spending on large contracts awarded to private sector companies, mainly those working in infrastructure activities and construction. This in turn generated a strong demand for cheap and unskilled labor from southeast Asia.

This whole process reflects the type of development model followed by the GCC states, especially during oil boom years. The current official approach is highly focused on the role of the private sector role in the development strategy. Yet this vision has evolved to become more of a “dogma” than a “compass” for development.

The issue of the public versus private sector labor market needs to be constructively reviewed in the light of two important facts. The first fact concerns the role of the state whereby the public sector involves not only administrative bodies of the government but also highly successful joint venture enterprises that achieved worldwide competitive edge. According to Steffen Hertog, state-owned enterprises (SOEs) in the GCC countries (with the exception of Kuwait) are considered the only successful ones in the world.7

The second fact concerns the role of the private sector in development. The last oil boom was a test for the private sector both as a driver of economic development and as a provider of jobs for citizens. In the case of the first, it seems that it benefited from economic growth rather than acting as its main source. In the second case, there is no doubt that it has persisted in its heavy dependency on unskilled migrant workers with little interest in improving productivity. The issue of public versus private has undermined the importance of the nature of private sector development in a rentier economy.8

In general, the current situation leads to a clash between aims and means of labor migration policies and an unresolved dilemma between long-term declared ambitions and short-term actions: The Gulf states want better and value-added jobs to be filled by the increasing number of nationals who enter the labor market every year, yet they also want to fulfill their “development” projects by granting the “private sector” a leading role in this process. The experience of the previous decades has shown that the first objective was sacrificed in favor of the second. Moreover, the successes that were achieved in employing citizens in the private sector were not necessarily related to better or different labor migration

6. Please refer to the tables and charts in the Annex.

7. Steffen Hertog, “Lean and mean: the politics of the new state-owned enterprises in the GCC.”

8. The Kafala or sponsorship system also is of cardinal importance in determining the nature of dependency on migrant workers in the GCC. Without elaborating much on this issue in this paper, we think that reforming this system cannot be a one-shot or a marginal act. It has more to do with the way citizens of the Gulf see themselves in relations to others than only as a mere labor relationship between employer and employee.
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policies. It was more a result of a package of training and wage support programs for young jobseekers. Work permits for foreign workers were used mostly as a bargaining tool against granting ministries of labor vacancies for the unemployed nationals. The outcome of this chronic dilemma can only be guided by a set of values based on a decent work paradigm.

The notion of decent work has been elaborated by the ILO Director-General in his 1999 Report to the International Labour Conference where he stated that: “The primary goal of the ILO today is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity.” This notion “emphasizes four elements: employment, social security, workers’ rights, and social dialogue. While the first two components of decent work refer to opportunities, remuneration, security and conditions of work, the last two emphasize the “social relations of workers.”

This approach, if integrated with the migration policies of the GCC countries, will help them eliminate the frictions between the “us” and “them” and will create a better “we” that belongs to the same human family. It will help also to deal with the difficult challenge of aligning national labor migration policies with global trends in the same area and create a solid foundation for socio-political and economic policy coherence at the national level.

10. See the ILO suggested Decent Work Indicators in the next page.
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**ILO Suggested Decent Work Indicators**

Note. This set of Decent Work Indicators was compiled in accordance with the guidance received at the Tripartite Meeting of Experts on the Measurement of Decent Work, held in Geneva on September 8-10, 2008. It is still under development and will be further revised after the completion of Decent Work Country Profiles for five pilot countries. See [http://www.ilo.org/integration/themes/mdw/lang--en/index.htm](http://www.ilo.org/integration/themes/mdw/lang--en/index.htm).

<table>
<thead>
<tr>
<th>Substantive Element of the Decent Work Agenda</th>
<th>Main Decent Work Indicators</th>
<th>Information on Rights at Work and the Legal Framework for Decent Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment opportunities</td>
<td>M – Employment-to-population ratio, 15-64 years (S)</td>
<td>L – Government commitment to full employment</td>
</tr>
<tr>
<td></td>
<td>M – Unemployment rate (S)</td>
<td>L – Unemployment insurance</td>
</tr>
<tr>
<td></td>
<td>M – Youth not in education and not in employment, 15-24 years (S)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>M – Informal employment (S)</td>
<td></td>
</tr>
<tr>
<td>Adequate earnings and productive work</td>
<td>M – Working poor (S)</td>
<td>L – Statutory minimum wage</td>
</tr>
<tr>
<td></td>
<td>M – Low pay rate (below 2/3 of median hourly earnings) (S)</td>
<td></td>
</tr>
<tr>
<td>Decent hours</td>
<td>M – Excessive hours (more than 48 hours per week; ‘usual’ hours) (S)</td>
<td>L – Maximum hours of work</td>
</tr>
<tr>
<td></td>
<td>L – Paid annual leave</td>
<td></td>
</tr>
<tr>
<td>Combining work, family, and personal life</td>
<td>F – Asocial / unusual hours (Developmental work to be done by the Office)</td>
<td>L – Maternity leave (incl. weeks of leave, replacement rate and coverage)</td>
</tr>
<tr>
<td></td>
<td>F – Maternity protection (developmental work to be done by the Office; main indicator)</td>
<td></td>
</tr>
<tr>
<td>Work that should be abolished</td>
<td>M – Child labour [as defined by draft ICLS resolution] (S)</td>
<td>L – Child labour (incl. public policies to combat it)</td>
</tr>
<tr>
<td></td>
<td>L – Forced labour (incl. public policies to combat it)</td>
<td></td>
</tr>
<tr>
<td>Stability and security of work</td>
<td>M – Stability and security of work (developmental work to be done by the Office)</td>
<td>L – Employment protection legislation (incl. notice of termination in weeks)</td>
</tr>
<tr>
<td>Equal opportunity and treatment in employment</td>
<td>M – Occupational segregation by sex</td>
<td>L – Anti-discrimination law based on sex of worker</td>
</tr>
<tr>
<td></td>
<td>M – Female share of employment in International Standard Classification of Occupations (ISCO-88) groups 11 and 12</td>
<td>L – Anti-discrimination law based on race, ethnicity, religion or national origin</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<th>Main Decent Work Indicators</th>
<th>Information on Rights at Work and the Legal Framework for Decent Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safe work environment</td>
<td>M – Occupational injury rate, fatal</td>
<td>L – Occupational safety and health insurance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>L – Labour inspection</td>
</tr>
<tr>
<td>Social security</td>
<td>M – Share of population aged 65 and above benefiting from a pension (S)</td>
<td>L – Pension (public / private)</td>
</tr>
<tr>
<td></td>
<td>M – Public social security expenditure (% of GDP)</td>
<td>L – Incapacity for work due to sickness / sick leave</td>
</tr>
<tr>
<td></td>
<td></td>
<td>L – Incapacity for work due to invalidity</td>
</tr>
<tr>
<td>Social dialogue, workers’ and employers’ representation</td>
<td>M – Union density rate (S)</td>
<td>L – Freedom of association and right to organize</td>
</tr>
<tr>
<td></td>
<td>M – Enterprises belonging to employer organization (rate)</td>
<td>L – Collective bargaining right</td>
</tr>
<tr>
<td></td>
<td>M – Collective bargaining coverage rate (S)</td>
<td>L – Tripartite consultations</td>
</tr>
<tr>
<td></td>
<td>M – Indicator for Fundamental Principles and Rights at Work (Freedom of Association and Collective Bargaining) to be developed by the Office</td>
<td></td>
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<tr>
<td>Economic and social context for decent work</td>
<td>C – Children not in school (% by age) (S)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C – Estimated % of working-age population who are HIV (Human Immuno-deficiency Virus) positive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C – Labour productivity (GDP per employed person, level and growth rate)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C – Income inequality (percentile ratio P90/P10, income or consumption)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C – Inflation rate Consumer Price Index (CPI)</td>
<td></td>
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<tr>
<td></td>
<td>C – Employment by branch of economic activity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C – Education of adult population (adult literacy rate, adult secondary school graduation rate) (S)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C – Labour share in GDP</td>
<td></td>
</tr>
</tbody>
</table>
Annexes

National and Non-National Employed Persons — Kingdom of Bahrain

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of National Employed Persons</th>
<th>No. of Non-National Employed Persons</th>
<th>Total</th>
<th>Percentage of National Employed Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>122,333</td>
<td>244,192</td>
<td>366,525</td>
<td>33</td>
</tr>
<tr>
<td>2006</td>
<td>129,210</td>
<td>273,107</td>
<td>402,317</td>
<td>32</td>
</tr>
<tr>
<td>2007</td>
<td>130,129</td>
<td>309,045</td>
<td>439,174</td>
<td>30</td>
</tr>
<tr>
<td>2008</td>
<td>140,096</td>
<td>365,670</td>
<td>505,766</td>
<td>28</td>
</tr>
</tbody>
</table>

### National and Non-National Employed Persons — Kuwait

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of National Employed Persons</th>
<th>No. of Non-National Employed Persons</th>
<th>Total</th>
<th>Percentage of National Employed Persons</th>
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</thead>
<tbody>
<tr>
<td>2005</td>
<td>298,752</td>
<td>1,402,154</td>
<td>1,700,906</td>
<td>18</td>
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<tr>
<td>2006</td>
<td>322,754</td>
<td>1,522,134</td>
<td>1,844,888</td>
<td>17</td>
</tr>
<tr>
<td>2008</td>
<td>336,298</td>
<td>1,751,714</td>
<td>2,088,012</td>
<td>16</td>
</tr>
<tr>
<td>2009</td>
<td>343,585</td>
<td>1,730,399</td>
<td>2,073,984</td>
<td>17</td>
</tr>
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National and Non-National Employed Persons — Oman

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of National Employed Persons</th>
<th>No. of Non-National Employed Persons</th>
<th>Total</th>
<th>Percentage of National Employed Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>207,961</td>
<td>447,990</td>
<td>655,951</td>
<td>32</td>
</tr>
<tr>
<td>2006</td>
<td>230,365</td>
<td>533,752</td>
<td>764,117</td>
<td>30</td>
</tr>
<tr>
<td>2007</td>
<td>256,180</td>
<td>660,503</td>
<td>916,683</td>
<td>28</td>
</tr>
<tr>
<td>2008</td>
<td>278,403</td>
<td>817,319</td>
<td>1,095,722</td>
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</tr>
</tbody>
</table>

National and Non-National Employed Persons — Qatar

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of National Employed Persons</th>
<th>No. of Non-National Employed Persons</th>
<th>Total</th>
<th>Percentage of National Employed Persons</th>
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<tbody>
<tr>
<td>2005</td>
<td>38,010</td>
<td>539,360</td>
<td>577,370</td>
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<tr>
<td>2006</td>
<td>38,563</td>
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<td>675,903</td>
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<tr>
<td>2007</td>
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<td>766,038</td>
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National and Non-National Employed — Saudi Arabia

<table>
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<tr>
<th>Year</th>
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<th>No. of Non-National Employed Persons</th>
<th>Total</th>
<th>Percentage of National Employed Persons</th>
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<tbody>
<tr>
<td>2005</td>
<td>-</td>
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<tr>
<td>2006</td>
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National and Non-National Employed Persons
United Arab Emirates

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<th>Year</th>
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<th>No. of Non-National Employed Persons</th>
<th>Total</th>
<th>Percentage of National Employed Persons</th>
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<tr>
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### National and Non-National Employed Persons in the GCC Countries

<table>
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<th>Non-National Employed Persons</th>
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<td>Saudi Arabia</td>
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<td>UAE</td>
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**Sources**


### National Employed Persons in the GCC Countries

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<thead>
<tr>
<th>Year</th>
<th>Bahrain</th>
<th>Kuwait</th>
<th>Oman</th>
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Source: same as above.
Non-National Employed Persons in the GCC Countries

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Source: same as above.
### GCC Country Year Sex Age group Labour force ('000) Labour force participation rate (%) Population ('000) Type of statistic

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<th>Year</th>
<th>Sex</th>
<th>Age group</th>
<th>Labour force ('000)</th>
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<table>
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<th>Age group</th>
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<th>Labour force participation rate (%)</th>
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What the US Can Learn from the Gulf States about Immigration: Visa Bonds and a Novel Proposal for Financing Them

Eleanor Marie Lawrence Brown

Consider the following fact pattern regularly encountered by Iraqi immigration officers: a poor South Asian farmer submits an application for a temporary guest worker visa that would allow him to take a housekeeping position on an American military base. The Iraqi immigration officer is concerned about two potential difficulties with the application. First, the prospective migrant may overstay his visa. Second, the applicant may impose welfare costs on the state.

Iraq regularly requires that a bond be posted as a condition of entry for guest workers. Notably, the bond will be forfeited if the guest worker fails to meet any one of three conditions: (1) providing accurate information about historical behavior, that is, his past record of law abidance; (2) abiding by the visa terms, including a requirement that he not impose welfare costs on the Iraqi government; and (3) exiting Iraq in the prescribed time period.1

Now let us move to the United States and consider an American immigration officer facing a similar fact pattern. The applicant for a temporary guest worker visa begs for favorable consideration, seeking to distinguish herself from the majority of similarly situated applicants who have been non-compliant in the past. Although rarely articulated in this manner, US immigration law generally addresses this challenge by utilizing a two-fold strategy that is familiar from Anglo-American contract law.

First, in an effort to deal with the challenges of obtaining reliable information concerning the applicant’s historical behavior, US immigration officials conduct “due diligence.” A web of laws allow the government to ascertain the historical behavior of prospective guest workers by mandating, for example, in certain instances that the applicant must provide police reports. Second, in an effort to buttress the accuracy of the applicant's assertions regarding historical behavior, it also asks the applicant to provide assurances and that the information provided is accurate. In the event that the information shared by the migrant in the due diligence process later turns out to be false, the penalty is usually visa revocation.

This is a quintessential case of information asymmetry, in which one party to the transaction knows more about a relevant fact than the other party. The applicant is highly likely to know more than the immigration officer about facts which are critical to determining whether he should receive a visa. The economics literature provides an obvious solution to problems of information asymmetry, and it is the Iraqi answer: prospective migrants should have to post bonds.

Bonding regimes are widely utilized in the Gulf states and it appears that the US

1. Typically, the amounts that South Asian guest workers pay in relation to their earning power in their countries of origin is astronomical. Sri Lanka: PPP is 4,460, World Bank, Gross National Income Per Capita, Atlas Method and PPP, http://siteresources.worldbank.org/DATASTATISTICS/Resources/GNIPC.pdf. The average bond appears to exceed the amount needed to deter non-compliance; it may include excess (and perhaps illicit) rents for labor brokers and government officials.
military would be unable to fill many positions on their military bases without bonded guest workers.\textsuperscript{2} Although visa overstay rates generally appear to be low in the Gulf States, bonding regimes have been controversial due to the perceived undue burden placed on the poor migrants who are seeking to migrate for these comparatively lucrative jobs.\textsuperscript{3} Implicit in the controversy surrounding US government participation in Middle Eastern bonding regimes is another provocative question. Given the high levels of visa overstay in the US, would a similar approach to temporary guest workers be appropriate here? The question seems particularly pertinent in light of a recent \textit{New York Times} report that several terrorism suspects originally entered the United States legally and subsequently overstayed their visas.\textsuperscript{4} Although the overwhelming majority of “visa overstays” pose no threat, nearly half of the estimated 12 million undocumented aliens in the US are visa-overstays.\textsuperscript{5}

Former guest workers, in particular, constitute a significant proportion of the undocumented population in the US. Indeed, high levels of visa overstay among temporary workers constituted a major impediment to comprehensive immigration reform, undermining proposals in 2006 and 2007 to expand guest worker programs even in the face of support from then-President Bush\textsuperscript{6} and presidential candidates Senator McCain and then-Senator Obama.\textsuperscript{7}

To address visa overstay rates, the government must be able to screen \textit{ex ante} for aliens who will abide by their visa restrictions and deport \textit{ex post} those who do not. It is, of course, one of the purposes of US immigration law to do precisely what Gulf States purport to accomplish with their bonding regimes, namely, to ensure that guests remain guests. The government's primary challenge, though, is the aforementioned one of information asymmetry: most visa applicants promise to abide by their visa

Implicit in the controversy surrounding US government participation in Middle Eastern bonding regimes is another provocative question. Given the high levels of visa overstay in the US, would a similar approach to temporary guest workers be appropriate here?
By advocating the Iraqi approach in the US context, this article proposes a radical re-thinking of how to hold temporary migrants accountable to their visa terms. Yet while the proposal initially may seem radical, it is actually well-founded in historical experience. Bonding mechanisms, sometimes referred to by economists as “hostage taking,”10 have a long heritage in many aspects of the common law.11 For example, in contract law, parties have long posted performance bonds. For centuries, defendants have posted bonds as a condition of their freedom prior to trial. Yet despite the obvious applicability of bonding to the US and its inclusion in narrow sections of immigration law, it is curious that there has been very little discussion of broader bonding proposals. This essay is an effort to begin that discussion.

While such proposals for broad visa bonding in the US have rarely been discussed, when they have, they have been met with skepticism largely on distributive justice grounds. A Dickensian free-for-all preceded modern US immigration law. Fully half of white migrants in the early days of the Republic were bonded by their prospective employers as a condition of their passage to the New World with the implicit cooperation of the government, which enforced the bonds.12 Upon arrival, migrants labored to pay off bonds in slave-like conditions.13 Indeed, in the Gulf states, human rights advocates regularly charge that migrants have been reduced to modern day indentured servants.14

Yet these concerns seem strangely out of place in the modern world, particularly in the US, where bonds are enforceable in the clear light of day under the rule of law, with appropriate human rights protections. Moreover, while critics decry bonding systems, they face an undeniable irony: the average guest worker sees the value of his labor jump nearly five times simply by virtue of setting foot in the United States.15 By lowering overstays, bonding systems may improve US labor market access and opportunity sets for precisely the poor guest workers whose welfare motivates justice concerns in the first place.

10. Oliver E. Williamson, “Credible Commitments: Using Hostages to Support Exchange,” The American Economic Review, Vo. 73, No. 4 (1983), p. 519. In this particular context, the pejorative term "hostage" refers to a government's ability to hold hostage something of value to the alien until he exits the country.
13. It bears emphasizing that although indentured laborers often worked under difficult conditions, indentured servitude was distinct, of course, from slavery. A famous text elucidating the distinction between the two institutions is Foner, Give Me Liberty.
15. See Michael Clemens et al., “The Place Premium: Wage Differences for Identical Workers Across the U.S. Border,” Center for Global development Working Paper 55 (December 2008), http://www.cgdev.org/content/publications/detail/16352, which found that “the net present value of lifetime access to micro-credit is the equivalent of the wage differential of a Bangladeshi man for one month of work in the US.”
A punitive bond arrangement may increase the cost of a breach, while allowing sufficient sensitivity to the particulars of specific visa applicants in a manner that is not practicable with formal due diligence rules. Notably, the proposal has not only ex ante (screening), but also ex post (deterrence) effects. Because those who overstay their guest worker visas usually disappear into the underground economy, current assurances regarding leaving the country upon the visa’s expiration have minimal tangible effect. The current default rule is that a non-compliant alien is punished only if he is found. Under a bonding proposal, the default rule is that the alien will be punished, or at least receive partial punishment, unless she complies.

Thus, the goal should be to pursue fair and transparent bonding proposals, while simultaneously seeking to mitigate distributive justice concerns. One obvious solution would be to provide incentives for prospective employers to finance bonds in a transparent regulated framework. However, we have learned from the Gulf states that there will be worthy persons who cannot find employers that will post bonds on their behalves.16 Thus, a priority should be to improve opportunities for applicants to finance bonds independently of their ability to find employers who are willing to finance their bonds.17

Of course, poor migrants already have financiers. Economic ethnography shows that many of the poor meet financial emergencies through loan contracts with local black-market or quasi-legal money lenders.18 The difficulty is that these money lenders operate in the informal sector, where they charge usurious rates and enforce contracts with implicit threats of violence. Their threats are credible: indeed, Nepalese farmers sometimes pledge their daughters to moneylenders as indentured laborers under threat of violence.19 It is entirely conceivable that Nepalese farmers might do the same thing to finance their visa-bonds. Our distributive justice commitments counsel providing enhanced access to visas through enhanced access to financing, but this financing must be obtained in a law-bound context. One way to do this is to provide incentives for law-abiding bankers to finance visa-bonds.

What would it take to incentivize bankers to finance visa bonds for the poor? The impediments to improved credit access for the “bottom of the pyramid” are considerable.20 Poor migrants are similarly situated since they are rarely able to provide the collateral21 that is generally a condition of borrowing. It is conventionally thought that collateral typically


19. Ashoka, the global association of social entrepreneurs, has widely publicized the plight of Nepalese girls who are pledged to money lenders as indentured servants. See http://www.changemakers.com/en-us/node/7822.

20. The term “bottom of the pyramid” was first used by President Franklin D. Roosevelt in one of his famous fireside chats during the Great Depression. In the parlance of development economists, the bottom of the pyramid is the poorest and largest socioeconomic group in the world. The term has gained particular currency among those who utilize market-based mechanisms to alleviate entrenched poverty. See generally C.K. Prahalad, The Fortune at the Bottom of the Pyramid (Upper Saddle River, NJ: Pearson Education, Inc., 2006) (popularizing the term and advocating market-based solutions to poverty); Stuart Hart, Capitalism at the Crossroads (Upper Saddle River, NJ: Pearson Education, Inc.2005) (same); but see Aneel Karnani, “The Fortune at the Bottom of the Pyramid: A Mirage,” California Management Review, Vol. 49, No. 4 (2007), pp. 90, 111 (pointing out the deficiencies of the term).

21. I utilize the term “collateral” here in its traditional sense, namely as property that is pledged as security against a debt. Black’s Law Dictionary (8th ed., 2004), p. 278. “Security” is “collateral given or pledged to guarantee the fulfillment of an obligation; especially, the
reduces the likelihood that a borrower will default in circumstances where he can easily divert cash flows. Given that cash diversion is a particular risk in the conditions of informality at the bottom of the pyramid, banks have generally required collateral following the maxim “no collateral: no loan.” For the migrant poor, this has generally resulted in “no loan.”

How might we mitigate the aforementioned challenges for prospective guest workers? The crux of the problem is to incentivize third parties to finance visa-bonds. The key is to mitigate the inability of legitimate bankers to enforce loan-for-bond contracts in the conditions of legal uncertainty by making loan compliance a condition of visa-renewal. By re-conceptualizing guest worker visas as licenses which the United States will only renew if aliens provide evidence that they have properly serviced their loans, labor mobility can become bankable. In so doing, these visas would become a type of “new property;” similar to other government licenses that are used as collateral in secured transactions. Visas will then serve as quasi collateral-like devices. Crucially, if appropriately designed, these visas will constitute the ideal type of collateral-like device, in that they will be highly valuable to the borrower, but less valuable to the lender. Thus, they will reduce incentives for both the borrower and the lender to act opportunistically.

The bottom line is that many developing countries’ legal systems have no credibility with their own formal banking sectors. Bankers in the developing countries from which guest workers typically originate do not lend to the poor, partly because of legal uncertainty — they do not trust that the legal rules surrounding loan contracts or repossession of collateral will be enforced. Given an uncertain background legal/institutional background framework, banks make “deals,” that is specific accommodations for individual borrowers, rather than relying on “rules.” In contrast, the American government is considered a credible threat-maker. Banks will not have cut deals because they will be secure in the knowledge that the US government will enforce the rules and revoke a visa in the event of a visa bond loan default. This proposal may lead to interstitial change in the developing world as banks learn to trust that poor borrowers will service their loans within the right institutional framework.

Finally, this proposal has another advantage, namely the outsourcing of both the screening and enforcement function, to a highly motivated population of bankers who are better situated than the government to screen out potential defaulters, and find aliens in the event of default. As long as bond financiers are able to recoup a significant proportion of the bond if their non-compliant clients exit the US, they will be motivated to provide financial incentives for aliens to self-deport. Deportation may even be accomplished without the intervention of public enforcers, while simultaneously meeting compliance goals and by extension, national security goals.

assurance that a creditor will be repaid ... any money or credit extended to a debtor." Black’s Law Dictionary, p. 1384.
23. Taxi-cab medallions, for example, are among the licenses that are routinely used in secured transactions. See e.g., Katrina Wyman, “Is Bentham Right?: The Case of New York City Taxicab Medallions” (on file with author)
24. I am indebted to Lant Pritchett for introducing me to this terminology. See Mary Hallward-Dreimer et al., Deals versus Rules: Uncertainty in Policy Implementation in Africa (National Bureau for Economic Research, February 27, 2009, unpublished manuscript).
ADDITIONAL INTERNATIONAL LABOUR ORGANIZATION (ILO) RESOURCES


