

RECENT LABOUR AND MIGRATION REFORMS AND POLICIES IN THE GULF:

IMPACT ON ECONOMIES AND SOCIETIES

Directors

Nasra M. Shah

Professor of Migration and Development at the Lahore School of Economics, Scientific Director Gulf Labour Markets, Migration, and Population (GLMM) Programme

Françoise De Bel-Air

Senior Fellow Gulf Labour Markets, Migration, and Population (GLMM) Programme

ABSTRACT

The aim of the workshop is to analyse the labour- and migration-related reforms introduced since 2010 in the six GCC States and assess their implications and outcomes (or lack thereof) on Gulf nationals, on foreign residents (workers and their families), on Gulf societies, and economies. The workshop will also address the impact of these policies on migrants' countries of origin.

I. BACKGROUND

Gulf States' economic and social reform masterplans (e.g., UAE Vision 2021, Qatar National Vision 2030, Saudi Vision 2030, Kuwait Vision 2035) stress the urgency of socio-economic reforms, to lower the dependency of the region's citizens on public spending, to diminish dependency on hydrocarbon revenues, and reduce reliance on foreign labour.

To address the latter, Gulf States enacted major reforms labour, employment, and migration policies during the past decade, along two lines. First, replacing foreign workers, who largely outnumber nationals on Gulf labour markets,¹ with nationals. Labour nationalisation policies seek to increase opportunities for citizens in GCC countries' private sectors, and alleviate unemployment among young nationals, especially women. Second, controlling foreign workers and residents' numbers and profiles more tightly: these measures are multipronged, and range from selecting specific foreign skilled workers over large numbers of low-skilled workers, to aiming at correcting the perceived "demographic imbalance", or demographic domination of foreign residents over citizens, that characterises four of the six GCC countries.²

A. NATIONAL OBJECTIVES AND POLICIES

1. **Labour nationalisation policies** comprise various measures combining incentives and impediments:
 - a. **Attracting more nationals to work in the private sector.** To increase low activity rates³ and counter the sense of entitlement to well-paid and secure governmental jobs ("Welfare-state ethos", Louër, 2008: 47). Women and young citizens are prime targets of reform processes⁴ conducted in the region; incentives are granted to nationals to join the private sector, and to employers promoting workforce's localisation. For example, the *Nitaqat* campaign for the Saudization of the workforce, launched in Saudi Arabia in 2011, rewards businesses according to their Saudization performance, Saudi employees' average salaries and retention rate, the rate of employment of priority categories, among whom are women. Selected employment sectors became reserved for Saudi women. The programme also set a minimum wage for nationals in the private sector.

- b. Upgrading employment opportunities for nationals.** About thirty branches of Western higher education institutions opened in the UAE since the late 2000s, while Qatar Foundation’s Education City hosts branches of several prominent US Universities.⁵ Gulf students, and especially women, were encouraged to shift from humanities and teaching to STEM subjects (Science, technology, engineering, and mathematics) in universities.⁶ Saudi Arabia’s Vision 2030’s set goal is to create a knowledge-based economy in the Kingdom through investing in education, and fostering innovative, high value-added industries, especially in the information technologies (ICTs). Promoting education and innovation thus aims to create compelling conditions for nationals to join labour markets, especially women.
 - c. Reducing employers’ reliance on foreign workers.** More and more employment sectors have been declared off-limits for non-nationals in most GCC states. The *Nitaqat* policy partially or totally phased out expatriates from diverse positions and industries⁷ likely to absorb unemployed Saudis, especially in the retail, hospitality, and tourism sectors. Oman froze the issuing and renewing of labour permits to expatriates in many managerial, as well as in all administrative and clerical occupations.⁸ Other measures add constraints to the hiring of foreign workers, such as the revision of quotas for nationals’ employment in Kuwait.⁹ Financial pressures (increase in fees, penalties, ...) were applied on employers of expatriates and foreign workers, like in Saudi Arabia¹⁰ and in Kuwait.¹¹
- 2. Tightening the control of foreign workers and residents’ numbers and their socio-demographic profiles** have several goals, such as:
- a. Limiting the numbers of foreign workers and residents.** Seeking to increase costs of residing for expatriates, Saudi Arabia started applying progressive fees on expats’ dependents in 2017.¹² Restrictions to family reunion¹³ and long-term stay also targeted the social rights and living conditions of expatriates in Kuwait.¹⁴ Several amnesty campaigns were launched since the 1990s, in the UAE, Kuwait, Bahrain and Saudi Arabia, to allow expatriates in irregular administrative situation to correct their status or leave without fines. Since 2010, police crackdowns¹⁵ and deportations of undocumented migrants have been stepped up in the region. Recently, Kuwait’s National Assembly voted measures to decrease the share of expatriates from the current 70 to 30 percent of the resident population.¹⁶
 - b. Monitoring the socio-demographic and skill profiles of foreign workers.** The diversification of the workforce by regional origin and nationality, for instance, responds to employers’ needs for fresh, as well as cheaper labourers in sectors such as construction and other service-based jobs. These stimulated the recruitment of African workers to the GCC, for example.
 - c. Amending the sponsorship system and immigration rules.** This range of significant reforms seeks to boost the attractiveness of Gulf labour markets for highly skilled foreign workers. Sponsor’s mandatory No Objection Certificate (NOC) on entry and exit, and change of job, were cancelled in Bahrain, the UAE and eventually Qatar.¹⁷ 2021’s Saudi Arabia’s Labour Market Initiative allegedly cancelled the sponsorship system in the Kingdom.¹⁸ Seeking to attract “high potential” expatriates, the UAE and Saudi Arabia announced measures permitting foreigners to secure sponsor-free long-term residence,¹⁹ and even nationality acquisition without relinquishing of the previous citizenship.²⁰

B. QUESTIONS

Questions to be explored in the papers include the following:

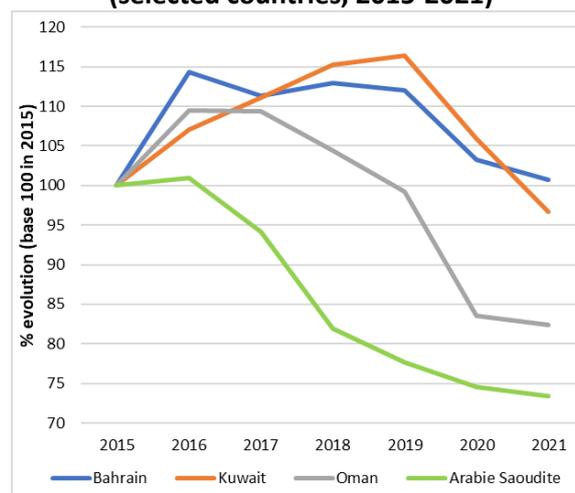
- What are the measurable impacts of reforms, on the socio-demographic makeup and on the structure of labour markets in Gulf states?
- Do these reforms meet all their intended targets, and do they reach all sectors of national and foreign populations?
- Ultimately, are they likely to reduce the separation between nationals and non-nationals on labour markets and hence, start merging “dual labour markets” characterising Gulf States?
- Could policies which are opening the way to long-term settlement and even citizenship, start placing immigrants (first and second generations) on equal socio-political footing with Gulf citizens?
- Which representations, or social constructions of future Gulf societies are, implicitly or explicitly, channelled through these many and diverse reform measures?
- How are the recent reforms and policies beginning to impact migration flows and characteristics from the major sending countries?

C. OBSERVED TRENDS

Elements of answers to these questions can be found in statistical data. Non-national populations contracted everywhere,²¹ which suggests that the above discussed reforms could have had some impact on Gulf states’ demographic makeup and labour markets. Largely predating the COVID-19 health and economic crises, the numbers of foreign workers in the private sector also stalled or decreased (Figure 1), as did their share in employed populations.²² Such drops particularly affected sectors employing large pools of low-skilled workers,²³ and sectors targeted by policymakers for the Gulfisation of jobs, such as trade.²⁴

However, the UAE and Saudi Arabia recently witnessed a reversal of this downward trend: between mid-2021 and mid-2022, Saudi Arabia’s foreign workforce gained 973,837 workers, of whom 362,963 in the construction sector alone.

Figure 1: Evolution of the stocks of foreign workers employed in the private sector (selected countries, 2015-2021)



Sources: See <https://gulfmigration.grc.net/gcc-number-of-employed-workers-and-percentage-of-non-nationals-in-employed-population-in-gcc-countries-2015-2021-private-sector/>

The numbers of Gulf nationals employed in private sectors increased over the 2010s, for instance in Oman.²⁵ However, except for Saudi Arabia,²⁶ citizens’ global activity rates seem to have stalled during the period, for men and women alike. Female participation rates even dropped in Kuwait.²⁷ Women

citizens' unemployment levels remain high in relation to men's in all GCC countries except in Qatar.²⁸ Unemployment is also more acute among youth, which points to the difficulties in matching the skills and expectations of citizens with the reality of employment in private sectors, despite the incentives offered to nationals (priority in employment, higher salaries than non-nationals, ...). In addition, the occurrence of fake, or "phantom" Gulfization of jobs²⁹ may undermine the credibility of reform efforts' assessments. In a context of steep rise in oil and gas prices currently in 2022, the launching of massive infrastructural projects³⁰ everywhere in the region could also reverse reform efforts and lead to a return to pre-reforms recruitment patterns (large numbers of low-skilled, low paid and limited-rights workers), as suggested in the recent expansion of Saudi Arabia's foreign workforce, for instance. Lastly, human rights organisations underlined that reforms do not apply to all categories of migrant workers, and that the kafala (sponsorship) system was amended but not fully erased.³¹ The kafala system still constitutes a structural element of governance for most foreign workers. Recent laws opening avenues for long-term or permanent stay, and even naturalisation, also apply to only select specific profiles among expatriates.

As for migrant-sending countries, nationalization policies in the Gulf are likely to reduce the demand for foreign workers. At the same time, such policies may affect the relative distribution of migrants from different countries and continue to keep the wage levels low. Effective reforms of the kafala system may dampen the importance of informal networks that have acted as major facilitators of inflows of labour migrants to the Gulf.

II. FOCUS OF THE WORKSHOP AND TOPICS FOR CONTRIBUTIONS

The aim of the workshop is to analyse the labour- and migration-related reforms introduced since 2010 in the six GCC States and assess their implications and outcomes (or lack thereof) on Gulf nationals, on foreign residents (workers and their families), on Gulf societies, and economies. The workshop will also address the impact of these policies on migrants' countries of origin.

Regional comparative papers are particularly welcome.

Possible topics for contributions include:

1. Sociodemographic and socio-economic impacts of reforms:

- Changes in numbers, share of non-nationals vs nationals
- Changes in sociodemographic profile of single nationality groups or regional origin
- Diversifications of nationalities or regional origins in workforce
- Recent changes in the education patterns of Gulf females and youth; school-to-work transition
- Changes in labour market structure by nationality, sectoral, activity and/or occupational distribution of workers
- Gulf females/youth employment patterns and trends
- Socio-economic profile of selected nationalities (Indians, Egyptians, ...)
- Post-oil transition and development of "knowledge economies", automation of tasks: impact on low-skill workers
- Impact of high oil and gas prices on hiring patterns and the implementation of reform
- Implications of the reforms for major sending countries

2. Political outcomes of reforms:

- Effects of new policies on inclusion/exclusion of selected nationalities, on specific sectors of national and non-national populations
- Changes in the "migration diplomacy" and consequences on negotiations for better rights

3. Assessing the validity and scope of policy outcomes:

- Measuring “ghost gulfisation”
- Assessing the impact of reforms of the kafala

III. GUIDELINES FOR CONTRIBUTIONS

The directors seek contributions that:

- Establish links between specific policies and outcomes
- Use primary sources (original fieldwork, statistical dataset, legal or other documents, ...)
- Use GCC national statistics and other resources as can be obtained from the GLMM website

All contributions should follow:

- The workshop as described in this document
- The GRM guidelines and be submitted by the GRM deadline

The directors encourage applications from demographers, political scientists, legal specialists, labour economists, sociologists, anthropologists, migration experts, data producers, and policymakers. All papers will be reviewed by the directors who may require revisions before approving them and before confirming participation in the workshop.

IV. OUTCOME

Based on the papers and their discussions at GRM, the directors will decide which papers are closest to being finalised and of sufficient quality to pursue publication.

This could take the form of a special issue of a peer reviewed journal or an edited volume with an established publisher or with GRC/GLMM. Alternatively, individual papers may be published by GLMM.

V. SELECTED READINGS

Alfarhan, Usamah (2022). “Layers of Segmentation in GCC’s Labour Markets: How Well Do Migrant Women Fare?,” EN No. 2/2022, GLMM.

<https://gulfmigration.grc.net/media/pubs/exno/Alfarhan%20-%20Layers%20of%20Segmentation%20-%20Final%20-%202022-06-30.pdf>.

Aus dem Moore, Jan Peter, and Vinay Chandran (2018). “The Future of Jobs in the Middle East.” World Government Summit, Dubai.

<https://www.mckinsey.com/~media/mckinsey/featured%20insights/middle%20east%20and%20afri ca/are%20middle%20east%20workers%20ready%20for%20the%20impact%20of%20automation/the-future-of-jobs-in-the-middle-east.pdf>.

Bahrain Economic Vision 2030. <https://www.bahrain.bh/wps/wcm/connect/38f53f2f-9ad6-423d-9c96-2dbf17810c94/Vision%2B2030%2BEnglish%2B%28low%2Bresolution%29.pdf?MOD=AJPERES>.

De Bel-Air, Françoise (2022), “Measuring the impact of Covid-19 on migrant workers in the GCC and Jordan using Gulf states and Jordanian national data,” GLMM Research Paper, forthcoming.

De Bel-Air, F. (2018), “Demography, Migration and Labour Market in Saudi Arabia,” GLMM Explanatory Note No. 5/2018.

https://gulfmigration.grc.net/media/pubs/exno/GLMM_EN_2018_05.pdf.

Diop, A., Johnston, T., & Le, K. T. (2018). "Migration Policies across the GCC: Challenges in Reforming the Kafala." In Shah, N. M. & Fargues, P. (Eds.), *Migration to the Gulf: Policies in Sending and Receiving Countries*, 33 - 60.

https://gulfmigration.grc.net/media/pubs/book/grm2017book_chapter/Volume%20-%20Migration%20to%20Gulf%20-%20Chapter%203.pdf.

Gagnon, J. and Gagnon C. (2021), "The Shifting Employment Landscape and International Migration in ADD corridors: What skills for the future?", Abu Dhabi Dialogue Research Paper, 2021.

https://adduae2021.org/attachments/ADD%20-%20Research%20Papers_Theme%201_v2.pdf.

Hertog Steffen (2014), "Arab Gulf States: An Assessment of Nationalisation Policies", *GLMM Research Paper No. 2014/1*.

https://cadmus.eui.eu/bitstream/handle/1814/32156/GLMM%20ResearchPaper_01-2014.pdf?sequence=1&isAllowed=y

Kagan, Sophia and Ryszard Cholewinski (2022), "Reforming the sponsorship system in the Gulf Cooperation Council countries: Opportunities and challenges as a result of COVID-19 and the fiscal crisis," EN No. 1/2022, GLMM.

<https://gulfmigration.grc.net/media/pubs/exno/Kagan%20&%20Cholewinski%20-%20EN%20No.1%20-%202022.pdf>.

Louër, Laurence. (2008), "The political impact of labour migration in Bahrain", *City & Society* Vol. 20, N°1, pp.32-53.

Malit Jr, Froilan T., and George Naufal (2017), "Labour Migration, Skills Development and the Future of Work in the Gulf Cooperation Council (GCC) Countries". *ILO Working Paper*.

https://www.researchgate.net/publication/323321589_Labour_Migration_Skills_Development_and_the_Future_of_Work_in_the_Gulf_Cooperation_Council_GCC_Countries.

New Kuwait 2035. <https://www.mofa.gov.kw/en/kuwait-state/kuwait-vision-2035/>.

Oman Vision 2040. https://isfu.gov.om/2040/Vision_Documents_En.pdf.

Qatar National Vision 2030. <https://www.gco.gov.qa/en/about-qatar/national-vision2030/>.

Saudi Arabia Vision 2030. <https://www.vision2030.gov.sa/>.

Shah, Nasra. 2022. "Policies and Legislative Frameworks Governing Labor Migration to the Oil-Rich Gulf Countries" in: *Oxford Handbook of Comparative Immigration Law*, edited by Kevin Cope, Stella Elias and Jill Goldenziel (forthcoming). <http://comparativeimmigrationlaw.org/toc/>.

Tayah, Marie-José, and Hadi Assaf. 2018. 'The Future of Domestic Work in the Countries of the Gulf Cooperation Council'. Abu Dhabi Dialogue.

<http://abudhabidialogue.org.ae/sites/default/files/document-library/2018%20ADD%20SOM%20-%20Future%20of%20Domestic%20Work%20Report%20-min.pdf>.

UAE Vision 2021. <https://www.vision2021.ae/en/uae-vision>.

Zahra, M. 2019. The Legal Framework of the Sponsorship Systems of the Gulf Cooperation Council Countries: A Comparative Examination. *Gulf Labour Markets and Migration*. GLMM - EN - No. 4/2019.

https://gulfmigration.grc.net/media/pubs/exno/GLMM_EN_2019_04.pdf.

DIRECTORS

Nasra M. Shah (Ph.D.) is a Professor of Migration and Development at the Lahore School of Economics, Pakistan. She is the scientific director of GLMM. Prior to returning to her homeland, she was Professor of Demography at the Department of Community Medicine and Behavioral Sciences at the Faculty of Medicine, Kuwait University for about 30 years. Prof. Shah received her doctoral degree in Population Dynamics from the Johns Hopkins University, School of Public Health, Baltimore, USA, in 1974. Before joining Kuwait University, she worked in Hawaii, USA at the East-West Population Institute and at the Pakistan Institute of Development Economics, Islamabad. Besides international migration, her research has focused on various themes including the role of social factors in infant and child mortality; predictors of fertility and contraceptive use; women's role and status; utilization of health services; and psychosocial and physical health of older persons.

Labor migration, especially from Asian to oil-rich Gulf countries, has been a consistent and very prominent theme in her research throughout her professional career. Her migration related research includes analyses of socioeconomic profiles and economic progress of migrant workers, domestic worker migration, violence against women migrants, increasingly restrictive policies of host countries, irregular migration, the role of social networks in migration, and migration policies of host and home countries. She has served as a member of the Editorial Boards of *Asian and Pacific Migration Journal*; *Migration and Development*; and *International Perspectives on Sexual and Reproductive Health*. Her many publications include books on *Asian Labor Migration: Pipeline to the Middle East*; *Pakistani Women; Basic Needs, Women and Development*; *Population of Kuwait: Structure and Dynamics*; *Skillful Survivals: Irregular Migration to the Gulf*; *Migration to the Gulf: Policies in Sending and Receiving Countries*; and *Covid-19 Crisis and Asian Migration*.

Françoise De Bel-Air (Ph.D.) is a researcher and consultant based in Paris, France. A socio-demographer by training, she specializes in the demography of Arab countries, especially in the Middle East and the Gulf region. Currently a Senior Fellow at the Gulf Labour Markets, Migration, and Population (GLMM) programme of the Gulf Research Center Foundation (GRCF, Geneva) since 2013, she was a Senior Fellow at the French Institute for the Near East (IFPO) in Amman, Jordan for several years, and a part-time Professor at the Migration Policy Centre (MPC), European University Institute (EUI), Florence, Italy. Her research focusses on political demography, as well as on the demographic and socio-political dynamics in the region: youth, family structures, labour and forced migration, migration, and population policies. She published two edited volumes and over fifty book chapters, scientific articles, and research papers on population issues in the Arab region. Her recent publications on migration and Gulf states include "Asian Migrants in the Gulf", in Shah, N. (Ed). *Covid-19 Crisis and Asian Migration*, Lahore: Lahore School of Economics, 2021; *The Socio-Economic Impact of Covid-19 and Low Oil Prices on Migrants and Remittances in the Arab Region* (with B. Nilsson), UNDP-RBAS Research Papers, 2021; "Youth Unemployment and Alienation in the Middle East: A Critical View", in: Salvatore, A.; Hanafi, S. and Obuse, K. (Eds). *The Oxford Handbook of the Sociology of the Middle East*, New York, NY: Oxford University Press, 2022; and "The Politics of Migration in the Gulf States", in: AlMezaini, Kh. and Alexander; K. (Eds). *Introduction to Gulf Politics*, Cambridge: Cambridge University Press (forthcoming).

¹ <https://gulfmigration.grc.net/media/graphs/Graph%20Employment%202020%20by%20country%20-%202022-07-05.pdf>

² <https://gulfmigration.grc.net/media/graphs/Figure1percentageofnationals%20non-nationals2020v2.pdf>

³ <https://gulfmigration.grc.net/gcc-labour-force-participation-rates-by-sex-in-gcc-countries-2016/>

⁴ <https://www.vision2030.gov.sa/v2030/overview/>

⁵ <https://www.psa.gov.qa/en/qnv1/pages/default.aspx>

⁶ <https://qz.com/1223067/iran-and-saudi-arabia-lead-when-it-comes-to-women-in-science/>

⁷ <https://insidesaudi.com/guide-to-saudization-and-the-nitaqat-program/>

⁸ <https://www.omanobserver.om/article/32063/1/ban-on-high-ranking-jobs-to-expats>

⁹ <https://gulfbusiness.com/kuwait-introduces-new-830-fee-companies-employing-excess-foreigners/>

-
- ¹⁰ [https://saudigazette.com.sa/article/528612/SAUDI-ARABIA/Cancel-expat-levy-JCCI-tells-ministry\)](https://saudigazette.com.sa/article/528612/SAUDI-ARABIA/Cancel-expat-levy-JCCI-tells-ministry)
- ¹¹ <https://gulfbusiness.com/kuwait-introduces-new-830-fee-companies-employing-excess-foreigners/>
- ¹² <https://gulfbusiness.com/expat-dependent-fee-takes-effect-in-saudi-arabia/>
- ¹³ <https://gulfbusiness.com/kuwait-stops-issuing-visas-expats-parents/>
- ¹⁴ <https://gulfbusiness.com/kuwait-double-annual-health-insurance-fee-foreigners/>
- ¹⁵ https://gulfmigration.grc.net/media/pubs/exno/GLMM_EN_2018_05.pdf
- ¹⁶ <https://timeskuwait.com/news/national-assembly-approves-demographic-law-to-cut-expat-numbers/>
- ¹⁷ https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_754403.pdf
- ¹⁸ <https://www.arabnews.com/node/1758456/saudi-arabia>
- ¹⁹ <https://www.arabnews.com/node/1514921/saudi-arabia>
- ²⁰ <https://www.wam.ae/en/details/1395302905586>; <https://u.ae/en/information-and-services/passports-and-traveling/emirati-nationality>
- ²¹ <https://gulfmigration.grc.net/bahrain-gcc-pop-1-2-foreign-population-in-the-six-gcc-states-mid-year-figures-2000-2021/>
- ²² <https://gulfmigration.grc.net/gcc-number-of-employed-workers-and-percentage-of-non-nationals-in-employed-population-in-gcc-countries-2015-2021-private-sector/>
- ²³ <https://www.mohre.gov.ae/en/data-library/statistical-report.aspx>
- ²⁴ <https://gulfmigration.grc.net/wp-content/uploads/2022/10/Saudi-Arabia-changes-of-numbers-by-activity-2019-2021-ok.pdf>
- ²⁵ <https://gulfmigration.grc.net/oman-employed-population-by-nationality-omani-expatriate-and-sector-of-employment-public-private-domestic-2005-2017/>
- ²⁶ <https://gulfmigration.grc.net/saudi-arabia-labour-force-participation-rates-by-nationality-saudi-non-saudi-and-sex-q1-2017-q2-2022/>
- ²⁷ <https://gulfmigration.grc.net/gcc-labour-force-participation-rates-by-sex-in-gcc-countries-2013-2017/>
- ²⁸ https://gccstat.org/images/gccstat/docman/publications/labour_statistics2020_1.pdf
- ²⁹ Lopesciolo, Michael; Muhaj, Daniela; Pan, Carolina. "The Quest for Increased Saudization: Labor Market Outcomes and the Shadow Price of Workforce Nationalization Policies", *Center for International Development at Harvard University Working Paper* No. 132, July 2021, p. 25; 35
<https://growthlab.cid.harvard.edu/files/growthlab/files/2021-07-cid-wp-132-saudi-labor-market-outcomes.pdf>
; <https://timesofoman.com/article/73279>
- ³⁰ <https://www.asite.com/blogs/5-construction-mega-projects-to-watch-in-the-middle-east>
- ³¹ <https://www.hrw.org/news/2021/03/25/saudi-arabia-labor-reforms-insufficient>