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GCC LABOUR MIGRATION GOVERNANCE*

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The current status of the labour migration in GCC countries is an outcome of multiple interconnected Variables, which has contributed toward making this region a strategic focal point in world politics and economics. These variables are of a diverse nature; being the most important energy resources region in the world, an increasing financial power, and possessing a critical strategic place both within military as well political perspectives. This interaction between these variables should be considered while assessing he current status of labour migration in this region, because they have a tremendous impact on the way policy makers are dealing with the labour markets challenges. Economic as well demographic factors associated with specific pattern of socio-economic and politcal developments in this region are strongly effected by the above mentioned variables. We can not comprehend the complexities of labour migration in GCC without taking into account this “Big Picture “of inter-related factors.

Three decades have passed since the first “oil boom “and the region is witnessing again similar economic revival. In 2007, estimates from the World Bank have shown that annual real GDP growth ranged between 4.1% in Saudi Arabia to 14.1% in Qatar (Table No.1). Population growth reached world record with UAE reaching up to 7.2 % annual growth in 2007. Even the lowest growth percentage (Bahrain 2 % in 2007) is highest than all the developing countries (1.2 %) – (Table 2). This due mainly to central role played by high oil revenues.

Table 1. Real GDP growth, 1996-2007[1]
(Percentage per year)

Country	1996-99	2000-04	2005	2006	2007e
MENA region (incl.Iraq)		4.6	5.8	5.8	5.7
Bahrain	**4**	**5.6**	**7.9**	**6.5**	**6.6**
Kuwait	**1.2**	**6.8**	**11.5**	**6.4**	**4.6**
Oman	**2.9**	**4.6**	**5.6**	**7**	**6.9**
Qatar	**12**	**9.1**	**9.2**	**10.3**	**14.2**
Saudi Arabia	**2.1**	**3.7**	**6.1**	**4.3**	**4.1**
United Arab Emirates	**5.2**	**7.6**	**8.2**	**9.4**	**7.7**
By geographic subregion					
Maghreb	3.4	4.4	4.5	4.7	3.8
Mashreq (excl.WBG Iraq)	3.5	4.3	3.7	3.4	3.4
GCC	3.1	5.3	7.4	6.3	5.9
Other	4.7	4.8	4.6	6.2	7.2
MENA(excl.Iraq)	3.6	4.9	5.8	5.8	5.7
All Developing countries	4.1	5	6.8	7.5	7.4
East Asia and the Pacific	6.2	8	9.1	9.8	10
Europe and Central Asia	2	5.4	6.2	6.9	6.7
Latin America and the Caribbean	3	2.2	4.7	5.6	5.1
South Asia	5.7	5.6	8.7	8.9	8.4
Sub-Saharan Africa	3.4	4	5.8	5.7	6.1

[1] 2008 MENA Economic Developments and Prospects: Regional Integration for Global Competitiveness - Appendix A: Statistical Tables, page 140.

"Foreign direct investment into the GCC, for example, rose from just under $2 billion in 2001 to more than $20 billion in 2005 and roughly $1 trillion in infrastructure investments are now in the pipeline, and by decade's end they could total $3 trillion."[2]

Parallel to the increased foreign direct investment , foreign assets of the GCC countries has increased to such large amount in recent years making this group of countries a significant world finical power . High oil prices have been "generating windfall revenues for oil-exporting nations, which in 2006 became the world's largest source of net global capital flows, surpassing Asia for the first time since the 1970s. A majority of these revenues have been recycled into global financial markets. [3]

According to some estimates, "investors from oil-exporting nations owned $3.4 trillion to $3.8 trillion in foreign financial assets at the end of 2006[4]. That sum is invested overseas in a number of ways:

1. Central banks
2. Sovereign wealth funds
3. Government investment corporations
4. High-net-worth individuals
5. Government-controlled companies
6. Private companies[5]

The significance of this financial power will be stronger if we observe the political influence coupled with it. This influence is playing a critical role in many fields, and it affects to a certain extent the current dialogue on the labour migration to the region, strengthening the "negotiating" powers of GCC states.

The economic revival has once again stimulated and increased the demand for migrant labour, which in turn is reflected in the high growth rates in population and labour force.

Two important factors have helped shaping the current landscape of labour migration in GCC: the first factor is related to the huge demand for labour by large infrastructure projects and private sector labour requirements. The second is position adopted by the GCC relating to "integration "of migrant workers. The first is strongly affected among many factors with the rentier seeking activities based on the sponsorship system "kafala". The second represent the official perception that migrant workers in the gulf are of "temporary" nature. Both factors are helping in reproducing the quality of labour demand as well keeping the segment "migrant" constantly in stable and constant The nature of economic development at the current stage , set the ground for increasing the demand on the type of workers that migrant provide.

[2] Kito de Boer and John M. Turner - Beyond oil: Reappraising the Gulf States, Web exclusive, January 2007 The McKinsey Quarterly -February 2007.
[3] Source: The new role of oil wealth in the world economy – McKinsey&Compay – Number 26, Winter 2008.
[4] Determining the true size of the oil exporters' foreign assets is difficult because no comprehensive official figures exist. Out estimates are based on published data sources, our own research, and interviews with banking experts in the region.
[5] Source: The new role of oil wealth in the world economy – McKinsey&Compay – Number 26, Winter 2008.

Table 2. Population growth, 1996-2007[6]

Country	1996-99	2000-04	2005	2006	2007e
MENA region (incl.Iraq)		4.6	5.8	5.8	5.7
Bahrain	**3**	**3**	**2**	**2**	**2**
Kuwait	**4**	**3.1**	**2.9**	**2.3**	**2.2**
Oman	**2.5**	**1.1**	**1.3**	**1.8**	**2.1**
Qatar	**4.3**	**5.2**	**5.3**	**4.6**	**4.5**
Saudi Arabia	**2.5**	**2.4**	**2.6**	**2.5**	**2.4**
United Arab Emirates	**5.9**	**7.2**	**5.8**	**7.2**	**7.2**
By geographic subregion					
Maghreb	1.5	1.4	1.3	1.3	1.3
Mashreq (excl.WBG Iraq)	2.5	2.2	2.2	2.2	2.2
GCC	3	3	3	3.1	3.1
Other	1.9	1.8	1.8	2	2
MENA(excl.Iraq)	2	1.9	1.8	2	1.9
All Developing countries	1.5	1.3	1.2	1.2	1.2
East Asia and the Pacific	1.1	0.9	0.8	0.8	0.8
Europe and Central Asia	-0.1	0	0	0	0.2
Latin America and the Caribbean	1.6	1.4	1.1	1.3	1.3
South Asia	1.9	1.7	1.6	1.4	1.4
Sub-Saharan Africa	2.5	2.3	2.2	1.9	1.9

Source: UN population database, National agencies and World Bank staff estimates.
e = estimate.

[6] 2008 MENA Economic Developments and Prospects: Regional Integration for Global Competitiveness - Appendix A: Statistical Tables, page 141.

Table 3. Labor force growth, 1996-2007
(Percentage per year)

Country	1996-99	2000-04	2005	2006	2007e
MENA region (incl.Iraq)	3.7	3.5	3.2	3.5	2.8
Bahrain	**4**	**2.7**	**2.7**	**2.7**	**2.7**
Kuwait	**6.4**	**5.3**	**5**	**5**	**5**
Oman	**3.5**	**1**	**1.4**	**0.8**	**0.8**
Qatar	**2.5**	**2.2**	**1.9**	**-0.5**	**1.4**
Saudi Arabia	**3.3**	**3.6**	**3.9**	**3.7**	**3.7**
United Arab Emirates	**6**	**7.2**	**5.8**	**7.2**	**7.2**
By geographic subregion					
Maghreb	3.4	3.3	2.2	3.6	3.1
Mashreq (excl.WBG Iraq)	3.9	3.7	3.6	3.5	3.5
GCC	4	4.1	4.1	4.1	4.2
Other	3.8	3.8	3.7	3.5	2.3
MENA(excl.Iraq)	3.7	3.7	3.3	3.6	2.8
All Developing countries	1.7	1.7	1.7	1.7	1.7
East Asia and the Pacific	1.4	1.3	1.4	1.3	1.3
Europe and Central Asia	-0.3	0.5	0.5	0.5	0.5
Latin America and the Caribbean	2.5	2.3	2.1	2.1	2.1
South Asia	2.1	2.1	2.1	2.1	2.1
Sub-Saharan Africa	2.6	2.4	2.3	2.3	2

Source: 2008 MENA Economic Developments and Prospects: Regional Integration for Global Competitiveness - Appendix A: Statistical Tables, page 142.

Table (3)

The labour force and percentage of national and non-national Labour in the Arab Gulf countries to the most recent year available

No.	Country	Year	Labour Force total	National labour		Non-national labour	
				No. of national labour	National Labour %	No. of non-national labour	Non-national labour %
1	United Arab Emirates	2005	3,315,000	577,000	17.74	2,738,000	82.26
2	Kingdom of Bahrain	2005	522,000	216,000	41.42	306,000	58.58
3	Kingdom of Saudi Arabia	2005	7,579,000	2,685,000	35.43	4,894,000	64.57
4	Sultanate of Oman	2005	914,000	309,000	33.87	605,000	66.13
5	State of Qatar	2005	555,714	240,680	43.31	315,034	56.69
6	State of Kuwait	2005	1,594,603	291,812	18.30	1,302,791	81.70
Total			**14,480,317**	**4,319,492**	**29.73**	**10,160,825**	**70.27**

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Source: Arab Labour Organisation Web site:
http://www.alolabor.org/nArabLabor/index.php?option=com_content&task=category&sectionid=15&id=85&Itemid=64

FIVE CHARACTERISTICS OF LABOUR MIGRATION

1. The GCC role is being placed within the context of the so called “south- south” labour migration. It is mostly Asian labour migration to the GCC. Unlike other regions of the world especially the industrial developed countries in Europe and Americas, the GCC does not have “global” migration inflow. Its Asian migration due to historical as well labour demand qualities factors.

2. The size of labour migration in increasing far beyond the world average. Size of labour migrations: During the period from 1990 to 2005, the number of migrant workers in the GCC has increased from 9 Million in 1990 to estimated 13 Million in 2005. The GCC have been the source of the biggest share of migrant increase in the Arab region since the 90s (Please refer to table on the increase in migrant stock in GCC). It worthy to note that this increase has occurred in the same period that almost all the GCC have intensified their efforts in localizations their national labour force.[7] The share of migrants stock increase in these countries has made the GCC the main region within Arab world that faces the challenges of migrations, in contrast to other Arab labour sending countries in Maghreb where the issues of their migrants role in Europe has been subject of an intensified dialogue in recent years. Other Arab countries like Lebanon and Jordan have to certain extent similar pattern in migrant stock increase, but they must be addressed within different socio-political context than the GCC. “The contribution of international migration to population growth varies considerably. In some countries of the region, net migration increases population growth. In the GCC countries, a net migration rate of 8.7 per 1000 population accounted for more than one quarter of total population increase. As a result of high natural

[7] We will address this issue in particular within the third chapter on migration governance , and the special role played by using the quota system .

growth, coupled with high positive net migration, these countries have some of the fastest growing populations in the world."[8]

3. Its growth rate is among the highest in the world. The growth rate of migrant stock in the GCC is not a homogenous one. In Bahrain we can notice a stable growth rate of 3 % annually, during the period from 1995 up to 2005, suggesting that despite different national programms aimed at reducing unemployment, the overall effect on migrant stock increase is minimal. UAE & Qatar have the highest growth rate especially in the last years (200-2005), and it can be linked with the massive infrastructure and constructions projects in these two countries. But in all cases (with exception of Oman) the GCC migrant stock growth rates outreach by far the international level. These two indicators (size & growth rate) manifest the intensity of labour migration in this region and bring it to forefront of global discussion on migration.

4. Among the highest percentages of migrant to total population. This has been highlighted in many researches and it became the focal point of public debate on the policies needed to reduce this share. The most important aspect of this type of indicator is its significance to policy makers in measuring progress toward localization efforts. The percentage of migrants stock to total population in the GCC is one of the highest in the whole world

5. The lowest percentage of females migrant in the world. The gender dimension of the labour migration gives us an important indicator on the nature of labour demand, especially with increasing role played by female migrants in the last decades. Although worldwide there is an increasing trend in the female share to total migrant flow, the GCC is considered one of the least receiving countries of female migrants. Total percentage of female migrants is a bout 29 % of total migrants. This can be explained by the heavy dependence on domestic home workers, which have evolved as an outcome of both the improving living conditions as well the increasing high participations rate of national females in the workforce. It is important to note that this segment of the migrant workers flow is not necessarily linked with factors affecting the labour market demand for male migrant workers in the private and public sector and the admission policies criteria are mostly linked with issues relating household conditions and income levels.

Labour Migrations policies in the GCC are facing critical historic choices especially in the recent years. The circle of concerned on the possible "destinies" of labour market policies is becoming wider and wider ranging from public, civil society organizations, policy makers up to international organizations and global NGO's. Many have emphasized that the region future will depend on the outcome of its labour market. This is mostly based on the realization that the sustainability of economic progress will depended among other factors – socio-political nature- on the reforming its labour market governances. There are two major important concerns by the GCC currently relating to migration policies: balancing the demographic imbalance between nationals and non nationals, and the second which has become more urgent is the approach toward localization – the process of substitution of migrants with nationals in the jobs. Several policies were practiced in the last decades attempting to address the two mentioned challenges, but there is almost a general consensus that these policies did not fully achieve what it intended to do. Both the share of non-nationals and the unemployment among the nationals continue to rise. This requires serious examinations and reviews of both the objectives as well the policy tools used to realize them.

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[8] International migration in the Arab region - Vladimira Kantorova - Population Division - Department of Economic and Social Affairs - United Nations - Beirut, 15 May 2006

WE CAN SUMMARIZE FIVE KEY CHALLENGES FACING THE GCC
IN THE FOLLOWING FACTORS:

1. Oil can lead to economic growth but not necessarily to employment growth. High financial revenues can not by themselves create decent jobs for nationals or migrant workers. The current model of development does not strongly integrate employment growth strategies especially high productivity jobs. Like many countries in Asia, the GCC "record of employment creation has failed to match its record of openness and growth"[9]. (See the table on Asia Employment Elasticities, 1992 – 2004), "The Arab States registered the highest sub regional employment elasticity in Asia, at 1.13. However, elasticity greater than 1 indicates that labour productivity in the sub region actually declined over the period in question. The sector employment elasticities in the Arab States indicate that the productivity losses occurred in the service sector".

2. The public policies aiming toward reducing the public sector role in employment growth, together with the supporting policies to increase the private sector leading economic role can help decreasing the segmentation of the labour market (public –private), but this should not lead to reduction of social protection of the workers. A balance between employment and social protection is needed and crucial.

3. Policy interventions in the labour market can not only focus on improvements of supply side. Urgent measures are also needed to improve private sector productivity. Measures aimed at enterprise restructuring within the productivity improvement should be complemented with activating and promoting corporate social responsibility among the private sector.

4. One important challenge will be the capacity to deal with changing trends in labour migration from south and east south Asia. "In the early 1980s, the majority of migrants from these countries had gone to the Gulf Cooperation Council countries but the emergence of new poles of attraction among the rapidly industrializing economies of Eastern and South-eastern Asia brought about a diversification of destinations. By the early 1990s, there were already important concentrations of migrant workers in Brunei Darussalam, Hong-Kong Special Administrative Region of China, Japan, Malaysia and Singapore, originating mostly in Asia. These countries were later joined by the Republic of Korea and Thailand, and even more recently by China." The possible impact of such trend might be tougher conditions to attract migrant skilled workers to the GCC, and increasing the supply of unskilled workers heading for the Gulf. Changing the mood of job creation in the private sector toward more skilled and productive jobs will play important role in reducing the current heavy dependency on both segments of migrant workers (skilled & unskilled) and will be able to integrate the nationals more effectively in the new jobs, provided this improvement is synchronized with education and training reforms.

5. The challenge of policy coherence: the interactions between human rights and labour market policies provide a chance not a threat for the GCC labour markets. A rights based labour market policy is a powerful catalyst for strengthening the role of labour market in the process of sustainable development of these societies. Extending social protection to include migrant workers will contribute toward leveling the gap between national and migrant workers. Another aspect of policy coherence is between labour market policies and other political –economic and social policies. This is one of the most crucial areas in which potentials for improvement are not yet fully tapped.

[9] Realizing decent work in Asia Fourteenth Asian Regional Meeting Busan, Republic of Korea, August-September 2006. Report of the Director-General International Labour Office Geneva, *First published 2006, page 37.*

A comprehensive approach toward labour market challenges can not be based on a partial acknowledgment of certain problems and reducing the importance of others. It should be based on a commitment that all spheres of the labor market should fulfill both the economic as well human needs and values. The emergences of the Decent Work Deficit constitute a new understanding of the challenging nature of work in the age of globalization, and therefore we believe that it can be a powerful mean to address the various problems within the GCC labour market. Moreover, it is the only way to eliminate the false contradiction between migration and localization policies, and bring them back to the development agenda.

Since the launch of the Decent Work Agenda of the ILO, a global discussion on the type of consensus needed to address key labour market challenges have been developing. Thanks to many factors like the increasing influence of the ILO's Declaration on Fundamental Principles and Rights at Work, the strong support by the UN Secretary-General, the growth of civil society initiatives and of socially responsible investment, Decent Work, which began as a tripartite goal of ILO constituents, has now been embraced as a global goal by governments at the highest level. This is vital because there are limits to national action in an era of globalization and connectedness: Decent Work must be founded on national commitment, supported by regional initiatives and realized in a supportive global environment.

In the Fourteenth Asian Regional Meeting in Busan, Republic of Korea, September 2006 it has been stressed that: "There is no "one size fits all" strategy for realizing decent work in Asia. Different countries, given their national realities, cultures and development levels, will strive in different ways to achieve the goal of more and better jobs. However, there are principles and rights at work that can and should be respected in all contexts and at all levels of development. These cover freedom of association and collective bargaining, nondiscrimination (including the promotion of gender equality) and non-use of forced labour and child labour. On this foundation, social dialogue is the most effective way of achieving national consensus on the best policy combination for a country, including the trade-offs that may be required and the appropriate policy responses."

Although there is an overall consensus agreement on the validity and importance of the decent work concept as a policy framework for national labour market policies, there are still more efforts needed in shaping the specific and detailed actions plans on the ground. One of the most important factors in hindering this approach is the fact that while the decent work concept is acknowledged as proper labour market policy guidance, there is a political hesitation in acknowledging the existence of Decent Work Deficit. We understand by the Decent Work Deficit, as the ILO defines it: "is expressed in the absence of sufficient employment opportunities, inadequate social protection, the denial of rights at work and shortcomings in social dialogue. It is a measure of the gap between the world that we work in and the hopes that people have for a better life."[10]

This deficit is expressed in four types of gaps: "the employment gap, with large scale unemployment and underemployment; the rights gap, reflected in widespread denial of rights at work; the social protection gap, reflected in unsafe working conditions and income insecurity; and the social dialogue gap, which shows up in inadequate representation and institutions to permit voices to be heard. Unless we tackle the deficit, the goal of social justice will remain beyond our grasp".[11] The manifestations of these gaps in the specific country conditions of the GCC, can take different degrees within various segments of the labour market. The employment gap in terms of unemployment and underemployment

[10] Report of the Director General "Reducing the decent work deficit: A global challenge" International Labour Conference - 89th Session 2001- International Labour Office – Geneva, page 12.

[11] http://www.ilo.org/public/english/region/ampro/cinterfor/publ/boletin/151/somavia1.htm.

will be found more among the national youth (male & females) and its solutions are being mostly sought through the so called “localization programs”. The social protection gap can be observed among migrant workers as an extreme case in a lesser degree among the nationals. The rights gap can be found among migrant workers and national workers at a different level between the countries.

Identifying the size and depth of the decent work deficit in GCC faces a serious obstacle namely the quality of labour market information available. Despite improvements in this field in recent years, certain important areas such as migrant workers and domestic workers conditions stands outside the priorities of official concern in terms of statistics. Unemployment figures depends largely on jobseekers registrations at the public employment office, reflecting one partial segment of the unemployed, although some countries like Qatar and Saudi Arabia have been relying more on statistics obtained from labour force surveys in recent years .

In defining national priority for decent work agenda, migrations policies are usually addressed within the context of the localization efforts and therefore become second priority or more precise, a follow-up of nationalizations policies. This can be understood by the concerns of national authorities to improve the employment prospects of their nationals; however the experience of the last decades in dealing with the unemployment problem among the nationals have shown little evidence that this approach is completely satisfactory .Focusing mostly on the management of admission policies for migrant workers as a mean to get jobs for the nationals might run the risk of bringing a paradoxical dichotomy between labour migration policies and localizations policies. The most explicit manifestation of this is the applications of quota system as a form of admission policy for migrant workers. There are six principal challenges in the four areas of decent work gaps that are in need for urgent research and actions. They can be illustrated by the following table:

Key Challenges of decent work deficit
Six principal challenges to address Decent Work Gaps in the GCC

Key Decent work Gaps		**Principal Challenges**
Employment Gap	Youth Employment	Focusing on more youth oriented employment policies
Rights gap	Workers rights Migrant and nationals Private & public sector	Implementing rights based labour policies for all workers and in all sectors (public & private)
Social protection	Migrant & nationals Females Domestic workers	Improving the social protection to migrants. Engendering labour market policies. Extending legal protections to include the domestic workers
Social dialogue	Tripatrism	Institutionalize the tripartite partnership to include preparation, designing and monitoring of labour policies

The gaps and challenges mentioned in the above table do not intend to cover all what exists in the labour markets of the GCC, but are an attempt to prioritize the most critical areas that require attention.

1. Youth decent work

Employment gap: Youth Unemployment

"Perhaps the most worrying aspect of the jobs deficit is its impact on young people"[12]. "At 25.4 per cent in 2005, the youth unemployment rate in the Arab States was the highest. The Arab States are also experiencing the fastest labour force growth of any region in the world, making the challenge of creating decent and productive employment opportunities for young people absolutely critical. A key related problem is the high level of unemployment among intermediate and higher education graduates in the Arab States"[13]. Youth Unemployment problems are at the core of localizations efforts; however there is an important observation that needs to be made. Inadequate policies to address unemployment from "challenge of figure" perspective only , that is considering the task of lowering the unemployed numbers can lead to solving one problem and creating another at the same time: underemployment ! "Open unemployment is, however, only the "tip of the iceberg". The more serious problem is that of underemployment, which manifests itself in different forms, including workers involuntarily working less than full time, taking jobs below their educational qualifications or skills, or being underutilized in overstaffed, bloated state enterprises."[14]

One of the most important obstacles in dealing with youth unemployment in this region is that when it comes to implementing employment programs and policies , the factor "nationality" often supersede the factor "youth" , thus weakening the effective employment outcome of these programms. Employing a youth is not always the same as employing a "national". Weak and inconsistent labour market information makes analyzing such a problem even more difficult. The increasing rate of unemployment is one of the most alarming indicators for the decent work deficit among the youth.

The unemployed youth are becoming more educated and the share of university education holders is increasing. In Bahrain the percentage of university graduate to total unemployed has increased from 3% in 1980 to 8 % in 2001. The situation reaches the extreme in the case of Kuwait & Saudi Arabia. In the first the percentage increased from 1.7 % in 1980 to 42 % in year 2000. The Saudi graduate share to total unemployed has increased from 4.2 % in 1980 to 29 % in 2002.

How the economic development is reflected in the lives of the young generations is a crucial factor in determining whether high economic growth figures are also high employment figures at the same time. In UAE for example the highest numbers of unemployed registered at TANMIA (national agency responsible for citizen's employment) are coming from the emirate of Dubai (27 % of total)[15]. There are several factors contributing to this fact: the level of services, and population density etc..., but it point out to certain conditions that cause the frustration among the youth.

[12] Realizing decent work in Asia Fourteenth Asian Regional Meeting -Busan, Republic of Korea, August-September 2006 Report of the Director-General International Labour Office Geneva, *First published 2006, page 2.*

[13] Fourteenth Asian Regional Meeting -Busan, Republic of Korea, August-September 2006 Report of the Director-General International Labour Office Geneva, page 34.

[14] Same as above.

[15] United Arab Emirates – Human Resource Report 2005 – Published by Tanmia 2005, page 45.

2. Females Decent work deficit

Females are among the most vulnerable groups within the youth unemployed. In the Global Employment Trends, there was a serious concern on “the limited chances for women in the region, with only about one out of three women active in labour markets (the labour force participation rate for women was 29.5 per cent in 2006). In addition, of those women participating in labour markets 17.0 per cent were unemployed in 2006 and only 24.5 per cent of the female working age population actually had a job in 2006. The situation is even worse for young women (aged 15 to 24), with an unemployment rate of 32.2 per cent, a labour force participation rate of 25.4 per cent and an employment-to-population ratio of 17.2 per cent. While all the indicators have improved over the last ten years, there is a long way to go before reaching equality in labour markets…. It is necessary to use the untapped potential of women in general and young women in particular.”[16] In Kuwait the females unemployed share to total unemployed reached 90 % (16.646 out of 18.454 registered unemployed in 2005)[17], and 74 % of the females unemployed are subject to long term unemployment above 12 Months.[18]

Finally it is important to note that although unemployment figures are among most important indicators for decent work deficit, they are currently the least reliable existing data. This fact makes the task of adopting a decent work agenda program for the region quite a challenging one. While some countries like Jordan and Saudi Arabia for example have regular labour force survey others are depending on unemployed jobseekers registered at the public employment offices. This prevents policy makers from assessing the real magnitude of the unemployment problem.

3. Migrant workers employment deficit

In recent years the conditions of work for migrant workers become the spotlight of international community and NGO’s. Amnesty International and Human rights watch have published several reports on the conditions of migrants in the GCC. There is a clear focus on the most vulnerable segments of migrant workers: construction workers and domestic migrant female workers. The first group is subject to tough working conditions, and this stands in contrast to their positive role and contributions in construction boom that is currently sweeping the gulf. Cases of withholding / non payment of wages for several months, the wages received often contradicts the term of contracts approved by the worker at home, illegally long working hours, unpaid overtime, arbitrary dismissals, fatal work injuries are just some examples of the serious decent work deficit faced by migrant workers and construction workers especially. Domestic female migrant workers are not covered by labour law and this makes the legal framework for their rights protection extremely controversial. Recent efforts have been undertaken by GCC governments to introduce a special law covering domestic workers, but more action is needed in consulting the concerned parties in drafting this law.

One of the most important areas that increase the vulnerability of migrant workers is the mechanism of gaining employment into the GCC labour market. Migrants are subjected to clandestine forms of exploitations mainly in the so called “market in permits” that is highly depended on sponsorship system. This plays an important role in shaping the size and quality of migrant workers to the region, but it has not been integrated so far in research dealing with migration issues. Recent researches in this area have shed light on this often acknowledged, but less researched form of exploitation of migrant workers[19]. Based on research conducted by Zachriah, ET Mathew and S. Irudaya Rajan, on “Migration in Kerala

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[16] Global employment trends brief, January 2007.
[17] Ministry of planning – Kuwait web site – section statistics: characteristics of unemployed.
[18] Source: Same as above.
[19] See for example: Ambivalent Anxieties of the South Asian-Gulf Arab Labor Exchange -By John Willoughby - No. 2005-02 -March 2005. http://www.american.edu/cas/econ/workpap.htm.

State, India: Dimensions, Determinants and Consequences" in the late nineties, John Willoughby from the American University in Washington D.C. have noted that: "Facilitating the entry and maintenance of Asian workers to the Gulf is more than a billion dollar industry". It involves a network of "Gulf nationals, expatriate business people in the Gulf, and licensed and unlicensed recruitment agents in Kerala." "The total amount of rent taken was in 1998 more likely $4 billion. Note that this figure does not include the regular payments that workers already in the Gulf must make to sponsors to maintain their employment status[20]. This requires intensifying the joint activities between sending as well receiving countries especially in utilizing public employment agencies in facilitating unskilled workers and strong law enforcement on private recruitment agencies to prevent them of the possibility of exploiting the migrant workers.

REFORMING THE SCOPE OF MIGRANT WORKERS MANAGEMENT IN GCC

Current efforts pursued by GCC states in improving and reforming its government apparatus in general and its labour market institutions specifically can take advantage in integrating the eight principles of good governance as stated by the UN[21] into the principles of labour administration as it was correctly formulated in ILO convention No. 150 and Recommendation No. 158 - Labour Administration - 1978.

This can build a solid foundation for successful labour market governance. What this means in practice is that an overall review of exciting labour market policies and institutions can rely on existing ILO standards in governing such a difficult segmented (public – private sector / migrants –nationals), but also a highly promising labour market that can play a crucial part in the development agenda . It means also that reviewing labour market policies and institutional improvements should go hand in hand. And as we have highlighted in the part concerning decent work deficit, a comprehensive approach toward labour market problems is only possible by adopting a decent work agenda paradigm both for citizen's as well migrant workers. Managing Labour migration is an integral part of overall labour market governance, and its scope is not only admission policies management but also managing the migrant workers conditions after their admission to the country. It is the balance between the two stages of migrant workers management that is lacking in current practices in most of the GCC and also in Middle East.

INSTITUTIONAL FRAMEWORK & LABOUR GOVERNANCE

Sound labour market policies are fundamental for the good performance of labour institutions, but the later can have a decisive impact on realisation of these policies. It is a two road path, that shapes the relations between policies and institutions, and under-estimating this fact can often lead to undesirable outcome. Good labour market governance needs coherence in three important fields: legalisation, policies and institutions, and any isolated actions within each field that does not take into its consideration the other factors will ultimately face difficulties in implementing its mandate.

There are two important levels for the institutional framework. The first is the government agencies and institutions involved directly or indirectly in migrant workers management. These are to be found at the sending as well host countries, because labour migrations governance involves different stages that require management, from pre-departure, to working in the destination countries, to return and reintegration. In the GCC ministries of labour are facing difficult challenges in coping with increased

[20] See for example : Ambivalent Anxieties of the South Asian-Gulf Arab Labor Exchange -By John Willoughby - No. 2005-02 -March 2005. http://www.american.edu/cas/econ/workpap.htm, page 25 .

[21] Participatory -Consensus oriented –accountable –transparent –Responsive –Effective -Equitable and inclusive - Follows the rule of Law.

pressure resulting from the large inflow of migrant workers into their labour market. In some countries admission policies and procedures are being managed by multiple states agencies, the most explicit example is the UAE where several federal and local governments' institutions are authorised to admit migrant's workers to the country. This makes the process of monitoring and managing the volume and quality of migrants admitted to the labour market almost impossible for the MOL. Different government agencies can have different criteria and objectives in admitting migrant workers, but without an overall clear framework that integrate all these objectives within the national level, the risk of illegal stay in the country and labour market fragmentation becomes an inevitable.

Another aspect within the government institutional framework is the relations between new established agencies and the old ones. Often the enthusiasm associated with building new agencies reduces the urgency of reforming the old ones, thus creating an objective ground for a disproportional governance of the labour market. Reforming labour market institutions as part of an overall labour market reform strategy can be a catalyst for improving the governance of this market, but it should be stressed that this is only the beginning and not the end of strengthening the role of labour market in the development process.

One of most important untapped resource for improving the governance of the labour market is the social dialogue between different government agencies, and the social partner's organizations and civil society. Labour migration governance is not only the sole responsibility of government institutions only. A network of institutions and agencies are directly or indirectly involved in managing different aspects of migrant workers situation. Private sector organizations, trade unions and civil society are powerful social forces, which can contribute substantially in addressing many labour market challenges. Building bridges of social dialogue between sending as well receiving countries is one of the most important task ahead. Positive steps has been taken in recent years in coordinating intergovernmental coordination mechanism in form of memorandum of understanding between some GCC states and key Asian labour sending countries , it is vital to extend the scope of coordination to social partners at both ends as well.

CONCLUSION

Labour market governance – and migrations governance especially - in the GCC is facing a historic crossroad. Either continuing the past policies with partial improvements in some areas, combined with postponing a honest approach to others, or a comprehensive, critical and constructive review of the whole policy paradigm in dealing with the challenges of the labour market. The complexities of problems are increasing at a higher speed than the efforts attempting to solve them. The impacts of global forces affecting the labour market outcome are being intensified, making the role of state interventions more difficult than ever. Labour migration has played an important role in helping the countries at the gulf advances toward one of the most economically developed regions in the world. If managed well it can still play a decisive role in the development agenda of both the receiving as well sending countries. It alignment with the localizations efforts of the GCC countries requires addressing both the demand as well the supply side of labour. Coherence between labour, economic and socio-political policies is fundamental for the success of this alignment. Supported by an adequate institutional framework that relies on tripartite and social dialogue, it can address critical problems currently prevailing in the labour market, especially key symptoms of decent work deficit. The GCC can contribute toward making its region a model for realizing decent work agenda in Asia and the world. Rights based labour policy is a strong weapon to tackle many problems in the labour market, and this policy can not be but a comprehensive one dealing with nationals as well migrants. To put the economic development on a sustainable track, reducing the dependency on the oil as a main source of GDP development and diversifying the economy should go hand in hand with making the labour market a strong leverage to development not a threat to it.

Finally we suggest the following three actions needed in the area migration governance:

1. A comprehensive approach toward labour market policies can benefit from the decent work concept as a reliable and powerful policy paradigm in tackling labour market challenges in the GCC. This will enable the harmonization and engendering of both the localization as well migrations policies. Reducing the vulnerability in the labour market will require addressing all its forms in all segments (youth, females, and migrants) and will help putting the development of the labour market on solid ground.

2. Sustaining the momentum in bilateral and regional cooperation between GCC and countries of origins, by developing a proper institutional framework between the two groups. Together with this process it is essential to expand the scope of social dialogue on labour migration to include social partners at both the sending as well receiving countries will strengthens the active participations of employers, workers and civil society in tackling many acute problems, especially those related to worst form of exploiting migrant workers . A regional forum on migrations can be a suitable way of starting this process. Representatives from sending as well receiving countries social partners can engage in constructive dialogue on ways and possible measures to increase the benefits of labour migrations for both groups.

3. Following evidence based policies; improving labour market informations and research between the two groups (Colombo process meeting in Abu Dhabi 2008). This requires paying special attention to labour force surveys with an incorporated migrant workers module as well conducting surveys on working conditions of these migrants.