

# **GCC labour Migration governance**

## **UNITED NATIONS EXPERT GROUP MEETING ON INTERNATIONAL MIGRATION AND DEVELOPMENT IN ASIA AND THE PACIFIC**

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**1. GCC in recent years has attracted a wide international interest in Issues of a global dimension :**

1. Petrodollar .
2. nature of labour migration.

The interest in these issues is Political – economic as well researches . **We will focus on the second issue : labour migration .**

**2. Reason for concern on this issue is nature of the phenomena as well the way it being governed .**

**3. Nature of the phenomena is three characteristics despite differing numbers .**

**4. Labour Migration governance :** how much it is **migration** versus **labour** governances ? We will try to address challenges from Perspective of how the host countries ( GCC ) are dealing with the migration governance .

**5. Our Theses :** dealing with labour migration from concerns related to identity can give the issue a political resonance but little labour market impact . Moreover , dealing with labour market with pure political means can weakens the overall effectiveness of the policies pursued : example Quota system .

**6. Three important challenges in labour migration :**

1. Reducing migration inflow without addressing root causes that require a comprehensive economic reform .
2. Adopting a temporary migration policy orientation for a permanent dependency on migrant workers in a wide range of jobs .
3. The balance between addressing “ legal “ migrant labour market versus fighting “ illegal “ one .

**7. Reminding of the five dilemmas of reform in MENA .**

**8. Three important action and options for a way out of the current bottleneck :**

1. Avoiding a “ conflict “ approach between migration governance and “ nationalisation “ . Labour migration is integral part of labour administration . Decent Work agenda is a tested compass . ( **Conceptual fine tuning** of migration governance ) .
2. Sustaining the momentum of bilateral cooperation . Colombo process . Translating it into more institutional coordination mechanism between sending and host countries . Elevating the current institutional framework on migration governance . ILO multilateral framework .globalising social dialogue ! ( institutional capacity strengthened by social dialogue ) .
3. Indicators to monitor progress ( Evidence based policy – complete cycle of policy formulation implementations and evaluation ) .

## Content

1. GCC & the World : Labour migration in GCC & Petrodollars : are they twins ?
2. Key characteristics of labour Migration in GCC .
3. Governance of labour migration : how much labour how much migration ?
4. Future prospects of labour migration governance.
5. Recommendations to Manila forum 2008 .

1. High oil prices has boosted GDP growth .
2. High oil prices are” 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.”
3. “Investors from oil-exporting nations **owned \$3.4 trillion to \$3.8 trillion in foreign financial assets at the end of 2006**<sup>[1]</sup>. 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 Private companies”

**Source: The new role of oil wealth in the world economy – McKinsey&Compay – Number 26, Winter 2008**

<sup>[1]</sup> Determining the true size of the oil exporters’ foreign assets is difficult because no comprehensive official figures exist. Our estimates are based on published data sources, our own research, and interviews with banking experts in the region.

**Energy**  
+  
**Finance**  
+  
**military ( Iran )**  
+  
**“ War on Terror “**  
+  
**Iraq**

**Multiple interconnected Variables has contributed  
toward making the GCC a strategic focal point in world politics .**

**GCC & the World**

**Overall socio-economic**

**Indicators**

# Real GDP growth, 1996-2007

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

# GCC & the World

## Population growth, 1996-2007

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



# GCC & the World

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
<b>Bahrain</b>	4	2.7	2.7	2.7	2.7
<b>Kuwait</b>	6.4	5.3	5	5	5
<b>Oman</b>	3.5	1	1.4	0.8	0.8
<b>Qatar</b>	2.5	2.2	1.9	-0.5	1.4
<b>Saudi Arabia</b>	3.3	3.6	3.9	3.7	3.7
<b>United Arab Emirates</b>	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

# **labour migration**

**What lies behind the general facts ?**

**Table (1)****Total and percentage of population (national and non-national) in the Arab Gulf countries to the most recent year available**

<b>No.</b>	<b>Country</b>	<b>Year</b>	<b>Total population</b>	<b>National</b>	<b>Non-National</b>	<b>Non National %</b>
1	United Arab Emirates	2006	4,496,000	984,624	3,511,376	78.10
2	Kingdom of Bahrain	2006	742,561	459,012	283,549	38.18
3	Kingdom of Saudi Arabia	2006	23,678,849	17,261,880	6,416,969	27.10
4	Sultanate of Oman	2006	2,486,000	1,855,301	630,699	25.37
5	State of Qatar	2006	885,359	208,059	677,300	76.50
6	State of Kuwait	2006	2,525,000	990,135	1,534,865	60.78
<b>Total</b>			<b>34,813,769</b>	<b>21,759,011</b>	<b>13,054,758</b>	<b>37.51</b>

Notes: 1 - the population of non-national, including Arabs and accounted for almost 6.0% and Foreigners, numbering close to 12.5 million by 94%.

**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
<b>Total</b>			<b>14,480,317</b>	<b>4,319,492</b>	<b>29.73</b>	<b>10,160,825</b>	<b>70.27</b>

Source: Arab Labour Organisation Web site:

[http://www.alolabor.org/nArabLabor/index.php?option=com\\_content&task=category&sectionid=15&id=85&Itemid=64](http://www.alolabor.org/nArabLabor/index.php?option=com_content&task=category&sectionid=15&id=85&Itemid=64)

**Table (4)**

**Total and percentage of population (national and non-national) in the Arab Gulf countries to the most recent year available**

No.	Country	Year	Total national & no-national labour	No. of foreigners	Foreigners %	Total foreigners by nationality				
						Arab	Asian	European	American	Others
1	United Arab Emirates	2005	3,315,000	2,738,000	82.26	238,000	2,386,000	41,000	15,000	58,000
2	Kingdom of Bahrain	2005	522,000	306,000	58.58	38,000	245,000	6,000	6,000	11,000
3	Kingdom of Saudi Arabia	2005	7,579,000	4,894,000	64.57	1,527,000	2,902,000	159,000	103,000	203,000
4	Sultanate of Oman	2005	914,000	605,000	66.13	34,000	559,000	–	–	12,000
5	State of Qatar	2005	555,714	315,034	56.69	126,013	144,915	5,954	–	38,152
6	State of Kuwait	2005	1,594,000	1,302,000	81.70	403,000	851,000	4,000	2,000	42,000
<b>Total</b>			<b>14,479,714</b>	<b>10,160,034</b>	<b>70.27</b>	<b>2,366,013</b>	<b>7,087,915</b>	<b>215,954</b>	<b>126,000</b>	<b>364,152</b>

Source: Arab Labour Organisation Web site:

[http://www.alolabor.org/nArabLabor/index.php?option=com\\_content&task=category&sectionid=15&id=85&Itemid=64](http://www.alolabor.org/nArabLabor/index.php?option=com_content&task=category&sectionid=15&id=85&Itemid=64)

**Table (5)****Total and percentage of population (national and non-national) in the Arab Gulf countries to the most recent year available**

No.	Country	Year	Total national & no-national labour	No. of foreigners	Foreigners %	Foreigners by nationality %				
						Arab	Asian	European	American	Others
1	United Arab Emirates	2005	3,315,000	2,738,000	82.26	8.71	87.14	1.50	0.54	2.11
2	Kingdom of Bahrain	2005	522,000	306,000	58.58	12.42	80.07	1.96	1.96	3.59
3	Kingdom of Saudi Arabia	2005	7,579,000	4,894,000	64.57	31.20	59.30	3.25	2.10	4.15
4	Sultanate of Oman	2005	914,000	605,000	66.13	5.61	92.40	–	–	1.99
5	State of Qatar	2005	555,714	315,034	56.69	40.07	45.64	1.99	–	12.30
6	State of Kuwait	2005	1,594,000	1,302,000	81.70	30.95	65.36	0.31	0.15	3.23
<b>Total</b>			<b>14,479,714</b>	<b>10,160,034</b>	<b>70.27</b>	<b>23.19</b>	<b>69.90</b>	<b>2.12</b>	<b>1.25</b>	<b>3.54</b>

# 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** .
2. Size of labour migration in increasing far beyond the world average. .
3. Its growth rate is among the highest in the world .
4. Among the highest percentages of migrant to total population.
5. The lowest percentage of females migrant in the world .

## Governance of labour migration : how much labour how much migration ?

1. Because the size of labour migration has a crucial demographic effects on populations of GCC , the public concern has escalated to the level of issues beyond direct labour market context. Focal point is the concern on identity . **This as a migration problem .**
2. Because it is a labour migration motivated by socio-economic factors at the sending as well host countries , its main domain resides in nature of the labour market . Two main challenges have emerged in recent decades : improving working conditions of the migrant workers and improving the prospects of stronger integration of the new entrants to the labour market from the young nationals . **This is a labour market problem .**
3. Perspective on labour migration shapes the conceptual understanding of the current challenges faced by GCC countries . **Identity concerns versus labour market concerns !**



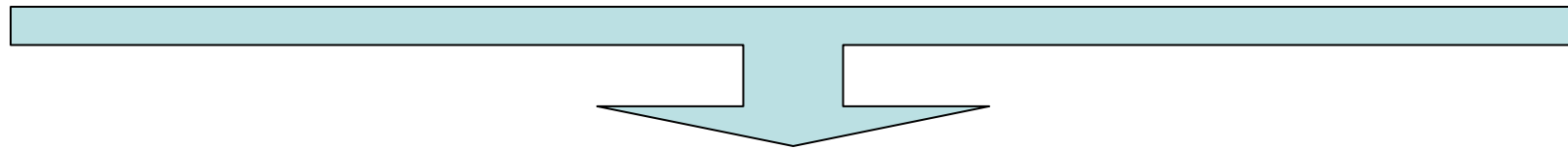
## Two conflicting approaches toward labour migration in GCC

### No ; this special case is no more accepted

1. Large number are working and staying for long period – more than 5 years .
2. Restrictions on family reunion leads to social isolation.
3. Sponsorship system is the main cause for migrant exploitation .
4. Discriminations in labour rights is not accepted by international standards and weakens the chance of improving citizens employability.
5. Positive role played by migrant workers in lowering consumers prices and inflation levels . Migrant workers are main contributors in non-Oil GDP growth .

### It is a special case

1. Contractual temporary workers .
2. Creates Demographic Imbalances .
3. Unemployment among nationals must be addressed by reducing numbers of migrant workers .
4. Granting rights to migrant workers will increase the budget constrains on governments.
5. Migrants remittances have a negative impact on host countries .



**What we witness in recent years is an outcome of a combination of “Pressure- dialogue “ process between the two**

## **Three general policy approaches toward labour migration in GCC**

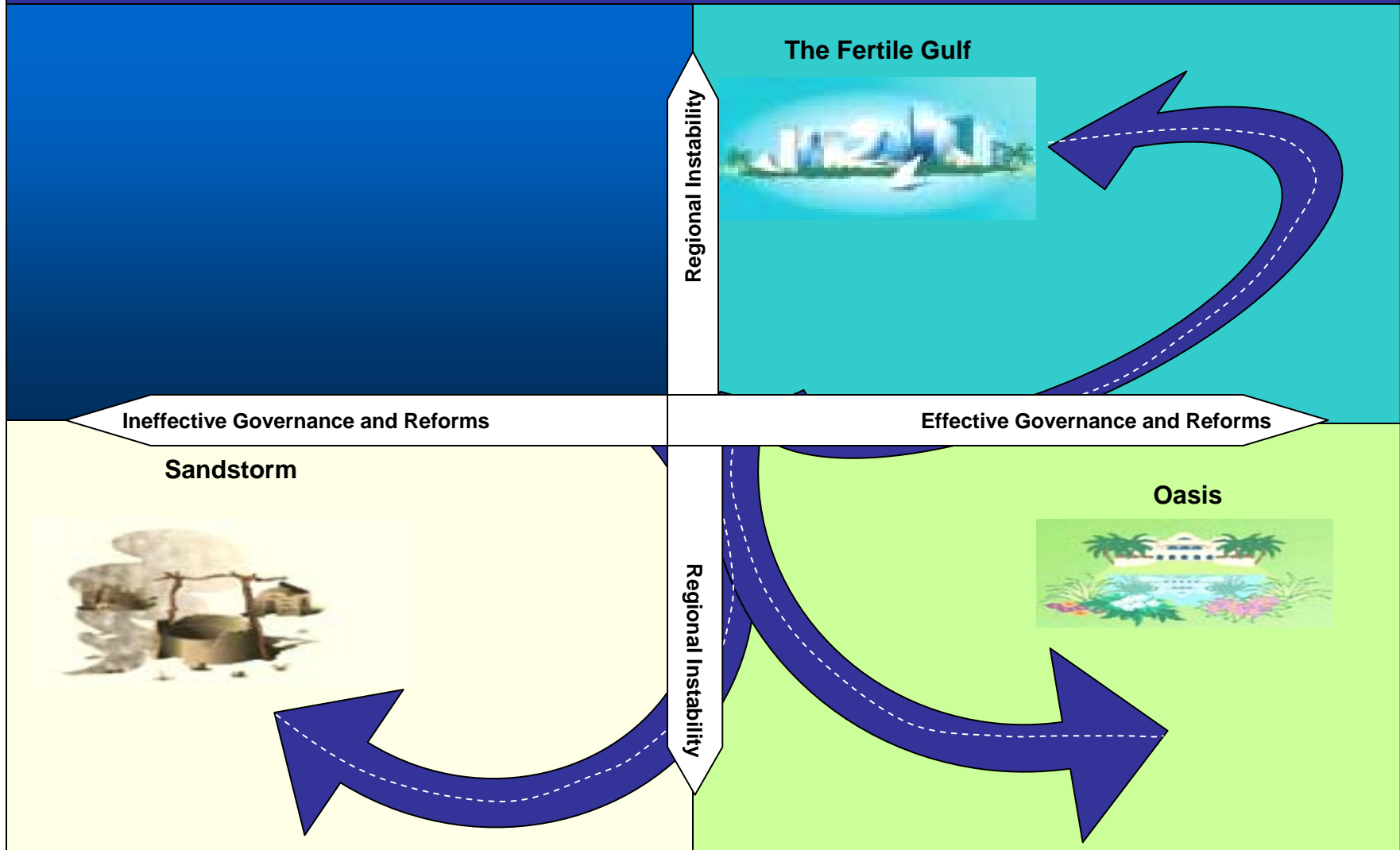
- 1. Reduce inflow of labour migration** : *Quota system –restrictions on certain occupations –fees .*
2. Striving toward confirming the “ **temporassness** “ of labour migration .
3. Reducing the **size and growth of “ illegal “ migrant labour market** : *amnesty periods – inspections campaigns – seeking options to eliminate “ Kafala system “ .*

*Correcting past failures or repeating them in new form ?*

**To what extent are we addressing the root causes for dependency on migrant workers?**

Where they can lead ?

# The GCC Countries and the World: Scenarios to 2025



# **The GCC Countries and the World: Scenarios to 2025**

## **1. The Oasis :**

describes a scenario where regional stability continues to be a challenge for the GCC countries, which are nevertheless able to achieve substantial institutional reforms. The GCC countries develop strong identities and work together to coordinate diplomatic and economic policies through technocratic governance and a strong internal market. Over-regulation slows the process of globalization, impacting the GCC countries; nonetheless, they are an oasis of stability and prosperity in an otherwise troubled region.

# **The GCC Countries and the World: Scenarios to 2025**

## **2. The Fertile Gulf :**

describes the rise of the GCC countries as innovation hubs in a global environment characterized by strong demand for energy and increasing globalization. Regional stability gives the GCC countries the opportunity to focus on enhancing their human capital at all levels, investing heavily in education while proceeding carefully with political and institutional reforms to support their growing economies and societies. In this way, a fertile garden of prosperity is established along the Persian Gulf.

# **The GCC Countries and the World: Scenarios to 2025**

## **3. Sandstorm :**

Sandstorm describes a future where regional instability is a defining factor, affecting the ability of GCC countries to effectively carry out much-needed institutional reforms. In a depressed global environment, reforms deflate or collapse due to a lack of attention to the root cause of internal issues and a tendency for governments to focus on short-term stability at the expense of long-term solutions. Caught in a shifting, violent environment, the GCC countries are blinded, unable to navigate their way out of the sandstorm and identify opportunities for prosperity for their populations.

**Whether we will have an “Oasis” or “Fertile” Gulf  
Scenarios will highly depend on how we tackle the  
decent work deficit in GCC**



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

## Labour migration governances must be an integral part of labour demonstrations functions and “ system”

LABOUR	EMPLOYMENT
<ul style="list-style-type: none"> <li>➤ Working conditions</li> <li>➤ Wages</li> <li>➤ Terms of employment</li> <li>➤ Occupational safety and health</li> <li>➤ Working environment</li> <li>➤ Social security</li> <li>➤ Labour inspection</li> </ul>	<ul style="list-style-type: none"> <li>➤ National employment policy</li> <li>➤ Unemployment insurance schemes</li> <li>➤ Vocational guidance</li> <li>➤ Vocational training programmes</li> <li>➤ Employment services</li> </ul>
INFORMATION AND RESEARCH	INDUSTRIAL RELATIONS
<ul style="list-style-type: none"> <li>➤ Data collection</li> <li>➤ Studies</li> <li>➤ Forecast analyses</li> <li>➤ Information dissemination</li> </ul>	<ul style="list-style-type: none"> <li>➤ Services to employers</li> <li>➤ Service to workers</li> <li>➤ Collective bargaining</li> <li>➤ Settlement of labour disputes</li> </ul>

## What are the options available ?

1. Sustaining the momentum of the “ political –administrative” management paradigm of economic realities in labour market .It can create an unnecessary conflict between Labour migration as an engine for development and its governance as a political and identity threats .
2. Neglects the overall link between labour administration functions , risking further gap between “ migrant workers “ and “ citizens workers “ employment conditions and protection.
3. Can lead to “ economic development “ and “ labour market “ policies conflicts .
4. Weakens the efforts toward making globalisation more faire !
5. Or Applying the” Golden Rule “ on labour migration means following a compass of “ Decent work agenda “ ... **for all !**
6. To apply “ Decent Work “ concept as a developmental strategy we need to go beyond “ public relations “ concerns to “ public good “ concern “ !

## Labour migration governances & the question of networking

- Variety of initiatives have been developed in recent years in the area of improving governance ; still more to come ...
- Good governance for private sector development , Good governance against corruption , Good governance for sustainable development , Good governance for migration , Good governance for labour markets etc...
- Diversity of these initiatives will not lead automatically to successful outcome if we do not work hard to harmonise them and bring them toward working together to **achieve a decent working life realities for the people** . Varieties of initiatives can also lead to zero sum if they are not well connected and integrated .

## **Suggested approaches for Manila Forum**

1. Stronger emphasise on applying Decent work concept as a guiding framework for labour migration governance .
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 .
3. Following an evidence based policies ; improving labour market informations and research between the two groups ( Colombo process meeting in Abu Dhabi 2008 ) .