[Long-Term Residence: GCC Countries Making a Shift Toward Inclusive Social Policies]

GLMM Policy Brief

No.8. February 2024

Long-Term Residence: GCC Countries Making a Shift Toward Inclusive Social Policies

Magdalena Karolak - Non-Resident Fellow, GLMM

Executive Summary

In recent years, individual GCC countries have adopted different policies regarding the extent to which they welcome expatriates and offer them long-term residence on their soil. The needs for nationalization of the labor markets, the fluctuations of oil prices, and the impact of the covid-19 pandemic all encouraged the GCC states to opt for limiting the participation of expatriates by a series of decrees nationalizing a growing number of jobs (Kuwait, Oman, KSA), while others imposed quotas on national employment and fines for non-compliance (KSA, UAE, Bahrain). Nonetheless, some GCC countries saw the potential benefits stemming from long-term residence of expatriates. Consequently, they opened doors to foreigners who are investors and their own job creators (innovators, entrepreneurs). This shift was accompanied in some GCC states by an inclusive approach to social policies in which the expatriate population is considered a permanent element among the national inhabitants. This brief aims at contrasting the current policies, applied to curtail the presence of expatriates in some areas, while actively expanding their presence through long-term residence in others.

Introduction

The dependence of the Gulf Cooperation Council countries on foreign labor has been a constant for several decades. Considered the necessary component for the region's booming economies fueled by oil and gas extraction, foreign workers filled in a variety of jobs from low skilled positions to the top of the workforce hierarchies. The families of medium to high-skilled workers followed, encouraging the establishment of foreign curricula schools, contributing to the growth of the housing market, and the expansion of infrastructure. In the case of four out of six GCC countries, the number of expatriates exceeded the number of nationals, reaching 88.5% of the population total in the UAE, 87.9% in Qatar, 70.1% in Kuwait, and 53.2% in Bahrain. In Oman and Saudi Arabia, the ratios of foreigners are 42% and 40% respectively (GLMM, 2023). Over the last decades, the economies of almost all GCC countries have become dominated by foreign workers. For example, foreign workers constitute around 95% of the total workforce in the UAE. The situation is quite similar in Qatar, Bahrain, and Kuwait, while Saudi Arabia is less dependent on expatriates than the smaller Gulf states. Hospitality, tourism, construction, and service sectors of some of the GCC