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Highly-Skilled Professionals in the GCC: Migration Policies and Government Outlook

Sabah Anbareen Khadri

Chapter in the volume:

Migration to the Gulf: Policies in Sending and Receiving Countries

edited by Philippe Fargues and Nasra M. Shah

This is a chapter in the volume: Philippe Fargues and Nasra M. Shah (eds.), *Migration to the Gulf: Policies in Sending and Receiving Countries*, Gulf Labour Markets and Migration (GLMM) Programme, Gulf Research Center Cambridge, 2018. For other chapters and the entire volume, please refer to www.gulfmigration.eu.

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Support: The Gulf Labour Markets, Migration and Population Programme (GLMM) receives support from the International Migration Initiative (IMI) of the Open Society Foundations (OSF), the National Priority Research Program (NPRP) of the Qatar National Research Fund (QNRF), the Swiss Agency for Development and Cooperation (SDC), and the United Nations Development Programme (UNDP- Kuwait) and relies on the institutional resources of GLMM partners.



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E-mail: info@grc.net

Website: www.grc.net



GLMM
Gulf Labour Markets and Migration

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

E-mail: info.glmm@grc.net

Website: gulfmigration.eu

Gulf Research Center

E-mail: info@grc.net

Website: www.grc.net

Jeddah

Gulf Research Center
19 Rayat Al-Itehad St.
P.O. Box 2134
Jeddah 21451
Kingdom of Saudi Arabia

Geneva

Gulf Research Center
Foundation
WMO Building - 2nd Floor
Avenue de la Paix, 7bis
CH-1211 Geneva
Switzerland

Cambridge

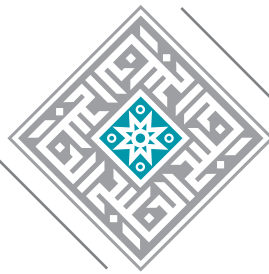
Gulf Research Centre
Cambridge
Centre of Islamic Studies
University of Cambridge
Sidgwick Avenue
Cambridge CB3 9DA, UK



First published 2018

Cover Photo: Imco Brouwer

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Highly-Skilled Professionals in the GCC: Migration Policies and Government Outlook

*Sabah Anbareen Khadri**

Abstract: The long-term national visions of the Gulf Cooperation Council (GCC) states are unanimous in their ambition: economic development of their countries and transformation into knowledge-based economies. To achieve this objective, it is critical that these states continue to attract highly-skilled professionals with the required expertise and know-how. This chapter attempts to provide substantive research into both current government policies and their planning as to how highly-skilled migrants will continue to aid the development of GCC countries. The aim of this chapter is to understand the dynamics that come into play when hiring and recruiting highly-skilled migrants for employment in the GCC states. It will analyse GCC governments' approaches through various policies, in areas such as immigration and labour, which have been adopted to address the requirements of these migrants. The chapter will then highlight a trend in the demand for various highly-skilled professionals that has emerged in the GCC owing to the changing economic dynamics of the countries involved. It will evaluate how this approach towards highly-skilled professionals sits alongside nationalisation plans that could be said to be diametrically opposite in ambition, in an attempt to determine the

* Sabah Anbareen Khadri is Research Coordinator, Weill Cornell Medicine, Qatar.

future trajectory of the GCC countries in their approach towards highly-skilled professionals.

Introduction

Acquisition of oil wealth paved the way for large-scale socio-economic development projects in the GCC nations. These developments required a large workforce and resulted in a substantial influx of foreign workers. As these countries have increasingly embarked on more advanced development projects, the emphasis has shifted from low-skilled labour to a more medium- to highly-skilled foreign workforce. Years of oil price boom enabled these countries to follow their allocated state model, whereby nationals performed mostly mediocre roles in the economy, largely occupying positions in the public sector, while the state relied excessively on foreign worker imports in both the skilled and unskilled sectors to support its economy. However, over the last few years, economic developments in this region, accelerated by the impact of falling oil prices, has forced these countries to put their labour force plans under scrutiny and re-evaluate their models so that they are in line with national economic diversification portfolios.

For several decades, highly-skilled migrants have contributed significantly to development in the GCC countries, yet there have not been many analyses of this migrant community, and their relatively low numbers have further limited research. In recent years, the GCC countries have, however, adopted policies to reduce the influx of low-skilled and semi-skilled migrants and have instead shifted their focus towards attracting the highly-skilled. This is evident through the national visions of most GCC nations, which explicitly state that while they wish to reduce the numbers of low-skilled migrants, they wish to attract a sizeable portion of skilled foreigners and retain those who are most useful. At the other end of the spectrum, these countries have also been tasked with promoting indigenous labour force participation and training the citizens to occupy positions currently occupied by foreigners. In the presence of such contradictory objectives, what remains unclear is the perspective the GCC countries will adopt towards these highly-skilled professionals in reality.

The first section of this chapter will determine the trend in the GCC governments' outlook towards highly-skilled professionals through the various policies adopted for this group and assess how these policies have evolved due to changes in the level of need over time. The second section will examine the shift in demand that has evolved due to changing socio-economic dynamics and will also look to understand how the governments of these countries regulate and

control demand through their management of skill requirements. The third section of this chapter will evaluate programmes implemented by the GCC governments to promote employment of the indigenous population and analyse how these programmes function alongside attempts to attract highly-skilled migrants. These nationalisation programmes are known to be failures in most GCC countries; hence it is interesting to understand why they still endure at a time when these countries intend to advance. Finally, the chapter will attempt to assess the efforts, if any, to transfer knowledge and enhance the skills of the indigenous populations so that they might occupy highly-skilled professions, as this will eventually help us determine how these GCC countries intend to continue reconciling imported skills with a desire to place nationals in senior roles.

Government Outlook on Highly-Skilled Migrants

The presence of foreign highly-skilled workers enables the GCC countries to progress in the fields of innovation and technology and move away from over-dependence on oil revenues. Such a workforce generates a competitive environment, significantly improving productivity. “A total of 15 million migrants currently work in the region, of which an estimated 5 million are highly skilled” (Hvidt 2016). Highly-skilled migrants in the context of this chapter will include “individuals working in an occupation that falls into the first three categories of the International Standard Classification of Occupations (ISCO): 1. Managers, senior officials and legislators, 2. Professionals and 3. Technicians and associate professionals; those employed in jobs that commensurate with a tertiary or graduate education” (Czaika and Parsons 2016).

One way of understanding the government outlook is by analysing the migration and labour policies that were adopted to address the needs of the highly-skilled workforce. However, it is imperative to note that some policies apply only to certain subsets of the highly-skilled population. They do not apply universally to all those who may fall under the definition of the highly-skilled migrant as they exhibit variations depending on income, wealth, nationality, and even religious beliefs.

The *kafala*, or sponsorship system, commonly followed in all six GCC countries, is the legal framework that governs the migration of people into the GCC. These countries share most features of the system, but they differ in certain aspects. *Kafala*, in principle, warrants a response to demand, ensuring that the inflow of migrants occurs only when there is a need for them. This requires careful matching of positions with the applicant’s skillset and qualifications. The prevalence

of such an on-demand system reaffirms the notion of the temporary nature of the presence of migrants.

An important characteristic of the *kafala* system, which partially regulates the numbers of migrants by placing limitations on the return of a migrant whose contract has ended, has been amended to make special provisions for highly-skilled migrants. The system generally requires that upon completion of a work contract, a foreigner spends some time outside the country before re-entering. Most of the six GCC countries mandate that a migrant should not be granted re-entry until a period of two years after the end of a work contract (Table 5.1). However, recently, Qatar amended its labour law to remove this clause, while Bahrain has a time limit of only 52 weeks.¹ Dubai has also abolished this clause in its labour law to accommodate the needs of the highly skilled (Baldwin 2015).

One of the inherent problems with the *kafala* system is the strict regulation governing the transfer of sponsorship. Permission to transfer sponsorship is often conditional upon the approval of the current employer. Some GCC countries have amended their policies to allow highly-skilled workers to change jobs freely without requiring a no-objection certification from their employer. In Kuwait, in order to be eligible to transfer sponsorship, the foreign worker must have been employed for a period of three continuous years if working in the public sector, and one year if employed by a private entity. This condition has been waived for migrants who hold university degrees and have higher qualifications (Zahra 2015). Similarly, in January 2016, the Dubai government amended its policy to allow highly-skilled migrants to switch jobs without being subject to the probationary ban (UAE Labour Law 2015). Foreign ownership of business and real estate is a driving force for investment in the GCC economies. However, limitations on foreign ownership (i.e., 51 per cent of the business should be owned by nationals) force foreign owners to partner with locals to set up their businesses. But, in an attempt to ease these restrictions, countries such as Saudi Arabia and the United Arab Emirates (UAE) now allow foreigners full ownership of businesses in certain industries. Qatari legislation similarly permits foreigners in Qatar to buy property in specific areas of the country. Ownership guarantees the owner 99 years of possession in addition to residency for the whole duration (Gupta 2013). Policies like these allow highly-skilled migrants to invest and spend prolonged periods of time in the GCC.

Granting citizenship or permanent residence has always been contentious in the GCC. But countries such as Saudi Arabia and the UAE have recently

1. As first mentioned in the Bahraini Aliens Immigration and Residence Act of 1965.

announced plans to grant citizenship or permanent residence to the highly skilled, who have spent prolonged periods in the country and are capable of investment in real estate. Although still under discussion, this move is indicative of these countries considering options that will allow them to retain highly-skilled professionals for longer. Another significant attribute of *kafala* that is specifically directed towards the highly skilled is the ability to self-sponsor. By this provision, certain professionals no longer need to rely on sponsors and instead can opt to sponsor themselves and their families. This provision is available to investors and business owners in GCC countries (Table 5.1).

Table 5.1: Characteristic features of the *kafala* / other government policies intended primarily for highly-skilled migrants

Return to the host country	Qatar (Law No. 21/ 2015) - the law abolished the two-year ban on expats re-entering the country on a new work visa after completing previous work contract.
	Bahrain (Bahraini Aliens Immigration and Residence Act of 1965) No two-year ban on the highly skilled, but expats not permitted to re-enter before 52 weeks.
	UAE - No six-month ban as for other foreigners. Highly-skilled migrants can re-enter the country almost immediately after cancellation of previous work contract.
Transfer of sponsorship	Kuwait – No minimum period of employment required before sponsorship transfer permitted.
	UAE (Dubai) No probationary limits on the highly-skilled transferring sponsorship before completion of work contract.
Foreign ownership of business and real estate	Qatar – Permits issued to enable purchase of property in specific areas of the country.
	UAE – Full foreign ownership permitted in certain prominent areas, including free-trade zones and other areas dominated by businesses.
	Saudi Arabia – Complete foreign ownership permitted for retail and wholesale, engineering and other businesses with the exception of professional, banking and financial services.
Citizenship/permanent residence/self-sponsorship	Saudi Arabia : In 2004, the Saudi Arabian government amended the Naturalisation law to allow long term residents (those with 10 years of continuous residency) to apply for citizenship, with priority given to those professionals qualified in certain scientific fields" (De Bel-Air 2014)
	Kuwait and Qatar (Law no. 13/ 2000) concerning economic activities for investors, business owners and benefactors of property owners permits investors and other skilled professionals to self-sponsor.
Ability to hold multiple work permits	Oman and UAE permit highly-skilled professionals to hold multiple work permits for other GCC countries.
Freedom to practice religion	Bahrain, UAE, and Oman have allowed foreigners to set up religious establishments (for example, Hindu temples).

The presence of foreign migrants in the GCC countries is often regarded as a temporary phenomenon, and this position is reflected in policy. Nevertheless, these countries have pursued a different trajectory in the last few years to maintain the skilled population for prolonged periods. For instance, historically all GCC countries, being predominantly Muslim, have imposed restrictions on the setting up of religious establishments other than those of Abrahamic religions; however, the UAE, Oman and Bahrain have started to allow people from other faiths, such as Hinduism, to set up public places of worship (Kumar 2016).

Highly-Skilled Migrants and Demand in GCC Countries

Over the years, the demand for highly-skilled professionals has varied in the GCC countries. This is the result of the changing dynamics of economic growth and development driven by their performance in the international oil market. This section will provide a detailed analysis of development projects in these countries that aim to transform them into knowledge-based economies so they are better able to map demand for highly-skilled professionals.

Of the six countries in the GCC, expats form a large majority of the total population in Qatar, the UAE and Bahrain, while nationals constitute the majority of the total population in Oman and Saudi Arabia (Table 5.2).

Oman

In 1995, Oman became the first GCC country to formally introduce long-term planning in the form of the 'National Vision 2020' (*Oman National Vision 2020* 1995). Oman was motivated to draw up this plan by a need to develop the underutilised sectors of the economy and thereby promote a diversified economy no longer entirely reliant on oil revenues, spurred on by a lack of extensive oil reserves. Following the release of this long-term 'Vision,' Oman shifted its focus to developing areas related to business, finance, trade and tourism. Major investment was dedicated to turn the country into a logistics hub for the region. The government also instituted policies to promote investment and improve the business environment. Their ninth five-year plan (2016–2020) leading up to the 'Vision 2020' is a good indicator of upcoming development projects and focuses on stimulating sectors such as manufacturing, transportation, logistics, and tourism (KPMG 2016).

Highly-Skilled Migrants in Oman

Efforts to diversify and promote a knowledge-based economy have impacted the demographics of the foreign population and have resulted in a greater inflow of

highly-skilled workers in recent years. Highly-skilled foreign labour occupies a significant position in the economy in the form of managerial, technical, and scientific professionals. The private sector employs a large majority of these expats, who account for less than 10 per cent of the total workforce (National Centre for Statistics and Information 2013), in healthcare, education and hospitality. Of these white-collar roles, clerical positions that require a low skillset and lesser qualifications have been reserved for nationals. A large number of western expats, hailing from North America, Europe and Australia, occupy positions in education, healthcare, finance and banking, and mining and quarrying (NCSI 2010) and account for 3 per cent of the total labour force (Deffner and Pfaffenbach 2015). As these sectors have developed over the years, there has been an increase in the number of expats hired as specialists. Oman relies heavily on foreigners with tertiary education and the aim to develop these sectors further will result in growing reliance on this category of qualified foreigners.

Despite the intention of the Vision to develop a more competitive and productive economy, to date the country has lacked the strategy to achieve its national vision goals. Oman has implemented various socio-economic plans that have failed to establish a link between their projected outcomes and the goals of the Vision. Current development plans mostly rely on mid-level employees and do not derive much benefit from the presence of a highly-skilled workforce. Therefore, the numbers of highly-skilled individuals in the country is likely to grow only minimally overall in the coming years, despite growth in the number of highly-skilled foreigners being recruited into certain sectors such as mining, quarrying and finance. In fact, a fall in the number of expatriates working in managerial positions was recorded in the first half of 2016 (“Oman Sees Decrease in Expatriates Working in Managerial Positions” 2016).

Qatar

The Qatar National Vision 2030, launched in 2008, aims to transform the nation into a knowledge-based economy by placing increased emphasis on human capital development and improving competency. Qatar intends to achieve this by promoting scientific and technical research, innovation and entrepreneurship, and invigorating the private sector. The Vision highlights the importance of investing in sectors such as healthcare and tertiary education to provide high-quality services to its population and attract highly-skilled labour from abroad.

In the past, Qatar has devoted enormous resources to the development of education, healthcare, tourism, media, communications and construction, which it

identifies as sectors that will promote high levels of growth. These sectors have enormous potential to drive long-term development and support a sustainable economy in the future. Non-oil sectors that contributed significantly towards the country's GDP growth in 2015 were construction, business and finance, with finance, insurance, real estate and business being the major drivers of services (MDPS 2015).

Highly-Skilled Migrants in Qatar

Highly-skilled workers, viewed as being at the vanguard of the move towards a knowledge-based economy, have constituted a significant portion of the labour force since 2011. Overall, highly-skilled positions occupied by foreigners in 2013 accounted for 15.9 per cent of the total labour force (MDPS 2014). From 2011-2014, the overall number of highly-skilled migrants in the country increased; however, in 2015, this number showed a slight decline because of a shift in the country's infrastructure policies (MDPS 2015). The proportion of expats employed as legislators and senior professionals and managers (category 1 of ISCO, mentioned previously) grew from 1.83 per cent of the total labour force in 2010 to 2.01 per cent in 2012, but subsequently decreased to 1.75 per cent in 2015.² This decline was due to the rise in the number of nationals occupying such positions. Nevertheless, despite this shift, the proportion of foreigners occupying professional positions has continued to remain significantly large, amounting to 7.17 per cent of the total labour force in 2015 (MDPS 2015), expected to increase in the years to come, owing to the increase in the number of projects aiming to promote the knowledge economy. Recent reports and national plans, however, indicate that the country is back on track to promote and sustain a highly-skilled workforce. "The share of semi-skilled workers hit a peak in 2015, while the share of unskilled workers stood at the lowest level since 2008" (MDPS 2016). Despite the lack of official data, due to the development in the sectors, it is safe to assume from development reports that a large number of highly-skilled expats are employed in education and healthcare.

The Qatari labour market is highly susceptible to fluctuations in economic growth. The labour force can be expected to undergo numerous changes until 2022, due to various development and infrastructure projects that will be launched for the FIFA World Cup 2022. The 2030 Vision was prepared before Qatar was awarded the right to host the World Cup, therefore unforeseen infrastructure needs will take precedence over the plans to realise the Vision. An increase in temporary

2. Qatar Statistics Authority, *Census 2010*, 2010; MDPS, *Labor Force Survey*, Qatar, 2015.

migrants required to fulfil construction quotas for the stadiums and other World Cup infrastructure has come at the expense of skilled professionals. Despite these ongoing programmes, the government realises the importance of the presence of highly-skilled migrants and the need to retain them, evident in the National Development Strategy (2011–2016) that requires the country to increase the proportion of highly-skilled migrants from 17 to 23 per cent (General Secretariat for Development Planning 2011).

Saudi Arabia

In an attempt to stimulate the economy and improve human capital, the Saudi government launched the ‘Saudi National Vision 2030’ in 2016. The plan is to develop and promote non-oil sectors, improve the technical and managerial fields, and support innovation, research, and the improvement of domestic technology. Foreign migrants occupy a major share of the private sector in Saudi Arabia, while nationals populate the public sector in its entirety. Through various cycles of economic depression and prosperity, the dependence on foreign labour has continued to remain high in the country (Table 5.2). Public spending increased substantially from 2003–2013 and about \$450 billion was invested in improving education, healthcare, social welfare, infrastructure and transport, and major investment has also been made in universities, hospitals, and a financial district in Riyadh (McKinsey Global Institute 2015).

Highly-Skilled Migrants in Saudi Arabia

The education and healthcare sectors employ most highly-skilled professionals, and foreign professionals in these fields account for 2.6 per cent and 3.6 per cent of the non-Saudi workforce, respectively (McKinsey Global Institute 2015). Expatriates account for 52 per cent of white-collar positions, including managers, professionals and specialists (World Economic Forum 2016). From 2000 to 2011, Saudi Arabia has not made any major effort to upgrade its highly-skilled labour force. Based on statistics supplied by the Saudi Arabian Ministry of Labour in 2013,³ the proportion of specialists hired in the fields of science, technology and humanities, and for managerial positions, has remained stagnant. Skilled and highly-skilled foreign positions contributed to 11 per cent and 12.8 per cent of all labour permits from 2005–2011 (De Bel-Air 2014) when the total number of labour permits provided to migrants actually doubled, but most permits were issued to low-skilled migrant

3. Ministry of Labour Statistics, Saudi Arabia, 2013.

workers. The years 2006-2012, however, witnessed a small rise in the number of highly-skilled professionals, both nationals and non-nationals, nationals occupying a greater share. A large number of these highly-skilled workers, from countries in Europe and North America, were employed in industries such as oil, healthcare, finance and trading. “According to respective embassy estimates, about 40,000 of these highly skilled workers are from the US, 30,000 from the UK” (Pakkiasamy 2004). The number of these expatriates in the oil industry has, however, declined in recent years due to the increasing Saudisation of the industry. Nevertheless, the kingdom still realises the need for highly-skilled professionals in healthcare such as doctors, nurses, technicians and legal experts (McKinsey Global Institute 2015).

The proposed development and economic projects as a part of the 2030 Vision require skilled professionals, and the lack of such skills among Saudi nationals illustrates the need for highly-skilled migrants. Hence, one would expect the number of highly-skilled migrants to increase in the coming years. However, the 2030 Vision is no different from the objectives set out in previous development plans. As a result, it can be expected that the country, its development plans, and its demographic growth will continue to follow the same trajectory; however, the share of highly-skilled migrants in the country can be expected to grow, although at a slow pace.

Bahrain

Years of oil boom prior to 2000 resulted in larger inflows of skilled foreigners to take charge of various development projects (Table 5.2). Following the oil price spike in 2003, Bahrain devoted additional resources to construction and infrastructure projects and also to the banking and finance sector, intending to transform the country into a banking and finance hub. These development projects needed highly-skilled professionals, and the number of labour permits issued to foreign migrants increased. A large portion of these permits were issued to the construction and manufacturing sectors, but over the years, the share of permits for finance, business, real estate, education and healthcare has grown significantly, collectively accounting for just under 30 per cent of all permits issued in 2010.

The ‘Bahrain Economic Vision 2030’ was launched in 2008, aiming to improve the efficiency and productivity of the Bahraini economy by invigorating certain underdeveloped sectors. As a part of this Vision, the country decided that the financial, business, tourism and manufacturing sectors were to become its main revenue-generating industries. The Vision also highlights an increase in investment in education and healthcare to help the country become a knowledge-based economy.

In 2014, the private education and healthcare sectors grew by 8.3 per cent, along with other sectors such as communication, transportation and construction (British Council Education Intelligence 2017). These development efforts undertaken by Bahrain seem to be in line with their 2030 Vision.

Table 5.2: Population demographics

Country	Oman *	Qatar **	Saudi Arabia ***	Bahrain ****	UAE *****
Initial total percentage of non-nationals	36% (2009)	75.9% (2004)	25.9% (2005)	35% (1995)	79.9% (2005)
Recent total percentage of non-nationals	44% (2015)	85.7% (2010)	32.7% (2014)	52% (2014)	88.5% (2010)
Initial foreign migrant labour force private sector participation rate	64% (1995)	92% (2005)	78% (2005)	69% (2005)	65% (2009)
Recent foreign migrant labour force private sector participation rate	87.4% (2012)	98.7% (2012)	86.6% (2013)	80.7% (2013)	99.5% (2013)
Foreigners occupying highly-skilled positions (as a percentage of total non-nationals in the labour force)	9.78% (2014)	14.1% (2015)	16.81% (2016)	14.70% (2010)	22.01% (2008)

Source: Total population and percentage of nationals and non-nationals in GCC (national statistics 2011–2015) (with numbers), GLMM, <http://gulfmigration.eu/percentage-of-non-nationals-in-government-sector-and-in-private-and-other-sectors-in-gcc-countries-national-statistics-latest-year-or-period-available/>; Author's calculations from GLMM website database.

* National Centre for Statistics and Information (NCSI), *Statistical Yearbook 2013*; Nasra M. Shah, "Restrictive Labour Immigration Policies in the Oil-rich Gulf: Effectiveness and Implications for Sending Asian Countries," UN Expert Group Meeting on International Migration and Development in the Arab Region: Challenges and Opportunities, Beirut, 2006.

** Qatar Statistics Authority (QSA), *Labor Force Bulletin 2012*; Françoise De Bel-Air, "Demography, Migration, and Labour Market in Qatar," Gulf Research Centre, 2014.

*** Ministry of Labour Statistics 2013; Saudi Arabia Central Department for Statistics and Information, *Labor Force Survey 2013*.

**** Labour Market Regulation Authority (LMRA) 2013; Françoise De Bel-Air, "Demography, Migration, and the Labour Market in Bahrain," GRC 2015; Central Informatics Organisation, *Census*, Bahrain, 2010.

***** Data from National Bureau of Statistics, *Estimates 2010*, UAE, 2010; De Bel-Air, "Demography, Migration, and the Labour Market in the UAE."

Highly-Skilled Migrants in Bahrain

The 2010 census indicated there had been a major boost in the overall number of highly-skilled positions in the country in previous years. Foreigners occupied 10.9 per cent of all highly-skilled positions, with a majority holding scientific, technical and humanities professional positions (CIO 2010), while nationals mostly occupied technical positions. This rise in foreign highly-skilled positions was a result of the growth in non-oil sectors, as previously, overall, foreigners occupied only 0.44 per cent of all positions in the labour market in 1991. Furthermore, Bahrain has entered into diplomatic and commercial ties with countries such as Sri Lanka, Bangladesh, and many other nations, highlighting its need to employ highly-skilled and trained professionals from these countries in various industries including finance, banking, and information technology (“Bahrain to Employ More Skilled Workers from Sri Lanka” 2016).

United Arab Emirates

Enhanced economic growth prior to the financial crisis incentivised the country to diversify its economy. Growing investments resulted in a large influx of highly-skilled professionals. The UAE now has major projects in the pipeline for the Dubai Expo 2020. Foreigners constitute a large percentage of the population in Abu Dhabi and Dubai. Both emirates have followed different trajectories for development, mostly due to the differences in their sources of government revenue. Abu Dhabi owns most of the gas reserves, whereas Dubai derives most of its revenue from financial and foreign investment. Dubai’s reliance on a single source of income prompted the emirate to pursue diversification and develop sectors such as trade and financial services, and to transform the emirate into a trade and financial hub for the region. Abu Dhabi, on the other hand, launched its 2030 Vision in 2009, aiming to converge investment efforts and develop industries, healthcare, education and other infrastructure projects. In 2010, the UAE launched its long-term plan—‘Vision 2021’—aiming to diversify into a knowledge-based economy. This plan intended to achieve socio-economic development by developing tourism, education, healthcare, research and scientific innovation (UAE Government 2010). These projects have resulted in an exponential rise in the numbers of foreigners in the UAE, with a large majority of them being associated with construction, followed by extensive involvement in logistics, trade, and finance.

Highly-Skilled Migrants in the UAE

A large number of foreigners in highly-skilled positions hail from North America and Europe and occupy positions in healthcare, social work, education, scientific and technical activities and financial activities. In 2012, foreigners in Dubai occupied 7.56 per cent of all managerial positions, 14.26 per cent of all professional positions and 12.21 per cent of all technical positions. But in 2015, these numbers dropped to 7 per cent, 12.6 per cent and 7 per cent, respectively (Dubai Statistics Centre 2015). A possible reason for this decline is the fact that Dubai won the right to host the Expo 2020, which then diverted attention to short- and medium-term development projects to roll out the necessary infrastructure. Recent reports, however, indicate that there have been major advances made to stimulate a knowledge-based economy, with substantial increases in the skill level and more extensive employment of skilled populations in education and healthcare (“Employment in the UAE up 6%” 2016). Yet, construction and industrial sectors continue to be the major drivers of growth in the country.

One expects the country will continue diverting its attention to construction and infrastructure in the years leading up to Expo 2020, and once the country has made considerable progress towards this goal, it may turn its focus again to its long-term plan. Until then, it is safe to say that the numbers of highly-skilled migrants in the country will not change substantially.

Nationalisation in the GCC

Labour market segregation is a notable feature of the labour markets in the GCC countries. The private sector is dominated mainly by foreign workers due to the large numbers available, low hiring costs and, most importantly, high skillset in comparison to the national population. Nationals dominate public sector jobs that provide them with large salaries, flexible working conditions, and low productivity demands. The public sector functions, and is expected to function, as the main provider of employment for nationals.

Over-dependence of nationals on public sector employment places enormous pressure on the government to provide for its citizens. The public sector is saturated by nationals and growing national populations, higher unemployment rates, and the presence of a large foreign workforce in the private sector have further exacerbated this issue, prompting governments to set out nationalisation policies intended to create employment opportunities for nationals in the private sector and reduce reliance on foreign labour. All the GCC countries have essentially followed a similar

route when implementing these policies by introducing a quota system to the labour force. Over the years, this system has remained intact in most countries, with the exception of a few that have replaced it with one regulated by market conditions, actually shown to be more successful. This section attempts to highlight the impact of nationalisation policies on highly-skilled migrants in the GCC, addressing challenges such as the deficit of necessary skillsets in the national population due to a lack of sufficient technical education, low levels of tertiary education, and low rates of participation in vocational training programmes.

Oman and Bahrain

Omanisation was introduced in 1994 along with a framework to enable the creation of employment opportunities, part of the long-term vision of the country. Oman witnessed a reduction in foreign population growth rates immediately after the implementation of quotas designed to advance the employment of nationals. Post-2000, Omanisation was instituted more rigorously, alongside mechanisms to ensure that non-Omanis did not feel disadvantaged. Consequently, Oman implemented policies following a market-based model and amended the sponsorship system to remove conditions restricting labour mobility. Sectors that required limited labour productivity, but increased capital investment, which therefore attracted Omanis, were most successful in meeting Omanisation targets: banking and finance, utilities and mineral mining have historically had the highest rates of Omanisation. However, sectors that required a more skilled and educated workforce, such as education and consulting or oil and gas, witnessed low Omanisation rates, averaging 20 per cent, and 30 per cent, respectively, in 2010 (Ministry of Manpower Oman 2014). Omanis employed in the private sector are generally in low-skilled clerical work and administrative positions.

In 1995, Bahrain introduced the quota system as a means of meeting Bahrainisation goals. Major reforms took place in the country during 2001 and 2008 that reinvigorated the otherwise failing Bahrainisation policies and, in 2007, the quota system was replaced with a market-based model. These reforms also sought ways to better integrate nationals and non-nationals into the private sector by increasing the price (in terms of higher taxes) employers and business owners had to pay for hiring foreigners.

Oman and Bahrain are two countries that have achieved a considerable increase in productivity by instituting market-based models to achieve nationalisation goals. Labour productivity increased by 5.1 per cent in Bahrain and 4.1 per cent in Oman between 2000 and 2007 (Hertog 2012). This increase can be attributed to more

nationals occupying positions of mid-skill level along with certain high-skill roles in the private sector, and, more importantly, is a result of conditions that allowed skilled nationals and foreigners to compete on the basis of their skillsets and qualifications, rather than the cost associated with employing them.

An issue of concern to both countries is the mismatched skillset between nationals and those in high demand in the labour force, compounded by the preference of the youth for administrative roles in the public sector.

Both countries have attempted to enhance the skillset of their national labour force by improving tertiary education, providing vocational and technical training programmes. These programmes should improve the productivity of nationals; however, the results of these programmes will only be visible in the medium to long term. Current vocational training programmes give immediate- to short-term results and enhance the skills of employees who will be well-suited for medium-skilled positions. Highly-skilled positions, however, will require years of rigorous training.

Qatar

Qatarisation was first launched in 2000. But, for a long time, Qatarisation efforts were focused mainly on the oil and gas sector. In recent years, the government has expanded these efforts to include real estate, manufacturing, information technology, finance and accounting and, more recently, healthcare. Despite these growing efforts, Qatarisation continues to remain most pronounced in the oil and gas and manufacturing industries. Quantitative targets, where Qataris have been required to take up positions regardless of their skills and qualifications, have either resulted in reducing the productivity in such industries or compelling the government to hire skilled foreigners to perform the tasks assigned to nationals.

Qatar has invested heavily in improving the capacity of its current national workforce through vocational and technical training. Most programmes are aimed at training nationals to occupy clerical positions. A few focus on enhancing technical skills and competencies, which are most essential in specialised sectors such as oil and gas. It is, however, critical to note that a large number of Qataris who enter the workforce are fresh graduates who lack the experience to take on bigger roles. These inexperienced incumbents are then trained as a part of the Qatarisation drive and can be expected to occupy entry-level positions within organisations, advancing to more senior leadership roles once they acquire more skills and experience. Qatar has significantly improved its educational standards over the years and since 2006 has

witnessed a rise in the number of nationals enrolling in tertiary education, but most of these nationals pursue either humanities or social sciences, or business-related fields.

Qatarisation has generally lacked a sense of direction and consistency and has focused merely on meeting quantitative goals. Foreigners that comprise the majority of the labour force will take longer to replace if the country intends to replace them with equally qualified and skilled nationals, otherwise it is likely to result in falling productivity and competency in the labour market. This step will be harder to carry out in sectors that rely on technical and scientific professionals.

Saudi Arabia

Saudi Arabia has instituted comprehensive labour market reforms in recent decades. The country rolled out the 'Nitaqat' system, a revised Saudisation plan, in 2011. Nitaqat intended to revive existing Saudisation efforts by introducing a system of compliance, with nationalisation quotas for companies. The levels of compliance could vary depending on sector and the size of the establishment, and failure to adhere to these quotas would result in limits to the supply of new work visas. In addition to these quotas, the government also increased the administrative cost to business owners to hire foreign workers. The years 2011 to 2013 witnessed a 70 per cent increase in the number of Saudis in the labour force. Sectors that now employ the largest number of Saudis are construction, retail, trade, finance and real estate (Ramady 2013). A large number of jobs, mostly low-skilled positions such as security, administration and sales, are being reserved for Saudi nationals.

Saudisation lacks a comprehensive strategy to enhance the education level of its citizens. Furthermore, although the nationalisation plan places emphasis on improving the skills and qualifications of the current workforce through training and development, there is a lack of a uniform strategy and direction and the implementation has been carried out by internal human resource departments.

Saudisation has been unable to meet the needs of the growing numbers of unemployed Saudi youth. Only a small proportion of Saudis occupy professional positions and are capable of performing skilled roles, resulting in a continued reliance on foreigners to occupy these positions. The Saudisation plan has introduced inefficiencies into the Saudi labour market and the desire to substitute foreign labour with national labour seems unrealistic given the low levels of education of the national population. The outcome of such substitutions will result in an increased strain on the labour market in the form of lower productivity and a greater financial burden as nationals expect higher wages.

United Arab Emirates

The UAE has implemented numerous reforms in an attempt to streamline its labour force and promote Emiratisation. The government implemented reforms in the form of quotas, reservation of positions for nationals, and bans on certain positions being offered to foreigners. However, the inability of the government to achieve Emiratisation through these measures prompted the UAE to adopt a method similar to the Nitaqat system of Saudi Arabia. Nationalisation programmes have, however, been less pronounced in the UAE. The government has focused its attention on accommodating nationals within the public sector, often with little emphasis on the private sector. Government efforts to stimulate national participation in the private sector have concentrated on industries such as hospitality, banking and financial services. Reservation of positions in these industries has been limited to the roles of HR managers, government relations officers, secretaries, and other administrative roles.

One noteworthy aspect of the Emiratisation plan has been the emphasis placed on improving educational standards. The country has taken an active interest in developing skills in its national population, and, as a result, training programmes have been designed, catering to improving soft skills that could be essential in the workplace. The UAE government has set up partnerships with various educational institutions to develop national skillsets, and graduates of these institutions will ultimately be absorbed into the public sector. It has also mandated the establishment of on-the-job training programmes within various organisations.

Despite all these measures, the failure of Emiratisation can be attributed to the fact that the goals of the policy do not align with the country's economic development plans. The UAE has witnessed enormous growth and development in sectors such as construction and infrastructure, but the nationals have resisted joining these sectors. On the other hand, the country has been advancing towards a knowledge-based economy, one that would promote innovation in sectors such as science, information technology, research and development, and communications. The country will need a workforce that is highly qualified and educated to take over the reins of these projects in future.

Conclusion

Each of the GCC countries has instituted comprehensive nationalisation plans that either address concerns related to growing unemployment or aim to increase national participation rates in the labour force, specifically in the private sector.

These nationalisation plans, when juxtaposed with socio-economic plans formulated through long-term national development visions, do not align, but are instead focused on diametrically opposite goals. Such a situation calls for the reassessment of both sets of plans to find a common ground that will place greater emphasis on solutions that will benefit the country as a whole.

Having analysed the long-term visions of these countries, it is evident that that they are keen on harbouring growing numbers of the highly-skilled labour force, to utilise their knowledge and expertise to diversify towards a knowledge-based economy and move away from dependence on oil revenues. As established throughout this chapter, the preference among all GCC governments for highly-skilled labour is evident through their policies and government reforms that aim to attract and retain this section of the population, resulting in increased labour mobility for the highly skilled and potentially aiding future investments in the country as well as enhancing standards of living for highly-skilled professionals.

The development plans of the GCC countries indicate a growing demand for highly-skilled professionals. Previously it was more the low-skilled and medium-skilled workers that were targeted by nationalisation drives. Those efforts bore fruit in the short term, but in the long term they greatly hinder the productivity and competitiveness of the labour market. Nationalisation drives could help maintain the demographic balance in these countries, but they do not contribute much to the improvement of the economies. In theory, they intended to replace foreigners in these GCC countries with either equally or more qualified nationals, but in reality, these programmes have had to acknowledge the low levels of qualifications of the national population and the focus has been on numbers rather than quality.

In conclusion, in the run-up to achieving these long-term national visions, one can expect the demand for highly-skilled workers in these countries to increase, with a simultaneous reduction in the number of mid-skill foreign professionals due to enhanced nationalisation drives. However, replacing highly-skilled foreign professionals with nationals will require the latter to undergo years of education and training. This, in turn, calls for increased investment by the GCC countries in the fields of education and professional skills development.

Both these plans—to increase highly-skilled labour and achieve nationalisation—occur in tandem with each other, with one focused on the higher spectrum of skills and the other on the medium- and low-skilled jobs. For one of these plans to replace and take precedence over the other, in this case the latter over the former, there is a crucial need to improve the education standards and the skills of the national population.

Despite the pressure of falling oil revenues on the GCC governments, advancing towards a highly-skilled economy, which may be more capital intensive in the short and medium term, will be of critical importance to the progress and development of these countries in the long term.

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Migration to the Gulf: Policies in Sending and Receiving Countries

International migration is a ubiquitous reality in the Gulf states where foreign citizens are a majority in the workforce as well as in the total population of several states. Migration is instrumental in the Gulf nations' prosperity and at the same time regarded as a challenge to their identity. For many countries of origin in Asia, the Arab world and East Africa, migration to the Gulf is an integral part of the daily lives of tens of millions and a constitutive element of economies and societies.

On the sending side, there is a widespread view that emigrants serve the prosperity of their nation, through financial remittances, enhanced skills, and enlarged business networks, and that they must be protected in the countries where they live. State institutions have been created to look for migration opportunities and to defend the rights of their expatriate nationals in terms of living and working conditions. Fair recruitment and decent work have become an integral part of their agenda. Emigration is now regarded as a resource for national economies in the same way as trade, and a matter for external policies and politics.

On the receiving side, Gulf policies must address the challenge of admitting contract workers needed by ambitious development programmes and welfare goals, while tackling a number of migration-related imbalances: too much dependency on foreign labour; too few women in the labour force; too much unused education and wasted skills among nationals; too much money flooding out of the country in the form of workers' remittances; and too rigid regulations ending up in high levels of irregularity.

This book is about policies designed to regulate migration and protect the migrants and enable them to contribute to the prosperity of the Gulf and the development of their home countries. It brings unique knowledge to all those striving to improve current systems, from a state's as well as a migrant's perspective.

