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Demography, Migration, and the Labour Market in Bahrain

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Demography, Migration, and the Labour Market in Bahrain*

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Abstract: Mid-2017, Bahrain's population was estimated at 1,501,116, of whom 823,610 (55 per cent) were foreign nationals. Most were from Asia (85 per cent) and especially from India (half of all foreign residents). Seventy-four per cent of expatriates were employed in 2018. They accounted for 79 per cent of the employed population and 83 per cent of the private sector's workforce. Asians were overwhelmingly involved in services and blue-collar occupations, while Arabs more often filled managerial posts.

Immigration flows to the Kingdom expanded significantly over the 2000s, fuelled by high oil prices and the ensuing boom in the construction and services sectors. During the 2010s, the foreign resident population increased again. In order to accelerate the Bahrainisation of the workforce, while maximising economic productivity and flexibility of the labour market, a string of reforms were enacted starting 2004, among which were a partial loosening of the kafala system, measures to protect domestic workers and the introduction of a "flexi-permit" designed to incorporate some foreign workers in irregular situation in the labour market.

Keywords: Bahrain, Politics, Policy, Sponsorship, Foreign and National Populations, Foreign Population, Labour Market, National and Foreign Labour, Naturalisation.

Introduction

The first discovery of oil in the Arab Peninsula was made in Bahrain, in 1932. Previous seasonal migration linked to pearl exploitation was rapidly replaced by inflows of workers from Western countries, Iran, British India, and other Gulf States such as Oman. In spite of such a long history of labour migration to the country, foreign residents did not outnumber Bahraini citizens until the end of the 2000s. By then, oil reserves had considerably reduced, and the Kingdom was one of the three least wealthy GCC countries.¹

From the start of Bahrain's oil exploitation, migration flows of workers to the country took on particular political stakes. Unemployed Bahraini nationals were to be hired in priority for vacant posts in

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the nascent oil industry;² but their lack of experience in the field enticed Bahrain Petroleum Company (BAPCO) to resort instead to employing skilled and cheap Iranian labourers.³ However, for fear that these labour migration patterns would encourage Iran's claims over Bahrain, the British Protectorate authorities and the Al-Khalifa ruling family supported the recruitment of Indian skilled and semi-skilled professionals. An economic rationale thus confronted political concerns in the management of foreign labour.⁴ Additionally, Bahraini workers who were filling the lowest paid positions at the bottom of the occupational ladder⁵ launched labour protests as early as 1938 and 1954-56. They also formed labour unions, excluding from it the foreign labourers who were viewed as "adjuncts of the Western powers at work in the country."⁶ From the first population census conducted in 1941 to Bahrain's independence in 1971, the share of non-nationals remained constant at around 20 per cent.

From the mid-1970s and the oil boom to the early 2000s, the number of foreign nationals surged to a third of the total population. Arab labourers were progressively replaced by Asians, and semi-skilled and skilled expatriates from earlier waves (among whom were many Indians) were outnumbered by low-skilled, manual workers. The fragmentation of the workforce also increased with the segmentation of the labour market between a Bahraini-(over)staffed governmental sector – including industrial joint ventures such as BAPCO and ALBA, the aluminium company – and a private sector employing foreign workers in detrimental conditions. The oil slump of the 1980s and 1990s and the ensuing contraction of the public sector led to mounting levels of unemployment among young Bahrainis.

In such a dire situation, and also due to its limited oil resources, Bahrain embarked on a strong and fast economic liberalisation process. Its economy also diversified and expanded into banking and finance, heavy industries, manufacturing, retail, and tourism. Fuelled by the hike in oil prices after 2003, development policies followed "a blueprint that envisions Bahrain as the progressive hub of finance and service industries in the Gulf, a beacon of modernity in the region, and a tourist attraction constructed around the city as a site of consumption."⁷ Mega-real estate projects directed at expatriates,⁸ especially, contributed to the construction boom in the country. In 2018, Bahrain was displaying good economic indicators, among which a successful economic diversification, high growth rates in the non-oil sector, and foreign direct investment (FDI), added to new oil discoveries.⁹ Such economic achievements were also facilitated by increasing flows of foreign workers. The decade of the 2000s witnessed a doubling of the total resident population in the Kingdom and almost a trebling of the number of foreign residents. The hike was sustained during the 2010s.

In Bahrain, immigration and the "natives" vs "foreigners" issue have two ranges of political implications. First, since British rule, foreigners were hired in the Army and police in order to avoid risks of collusion with locals.¹⁰ Contrary to other GCC states, Bahrain also resorted to the naturalisation of some foreign Sunni Muslims (Jordanians, Syrians, Yemenis, and Pakistanis, for instance), in order to tilt the communal makeup of the Bahraini population. One of the demands of the demonstrators during the uprisings in February 2011 was to put an end to these naturalisations.

Second, growing unemployment among the local population spurred the government's attempts to overhaul the decades-old "Bahrainisation" policies. A major reform of Bahrain's labour market was launched in 2004. The policy was based on erasing the segmentation of labour between nationals and expatriates by fully liberalising the labour market and on curbing immigration by equalising the cost of

employing nationals and expatriates. The Labour Market Regulation Authority (LMRA) was established in May 2006 and mandated with regulating and controlling work permits for expatriate employees and the self-employed, in addition to issuing licenses for the recruitment agencies. Fees were introduced for every foreigner hired (Bahraini Dinar (BD) 200, or \$531), among many other expenditures introduced over the years.¹¹

In the hope of enforcing real competition between nationals and expatriates and thus improving work conditions and wages in the private sector, Bahrain loosened the kafala (sponsorship) system in August 2009 by abolishing the mandatory No-Objection Certificate hampering expatriates' professional mobility.¹² However, employers opposed this move, and since mid-2011, a new law¹³ restricts the switching of kafeel without his consent to those having spent one full year with their sponsor, effectively limiting the scope of kafala reforms.

As of 2018, Bahrain has no minimum wage for foreign workers in the private sector,¹⁴ and foreign nationals' living and working conditions, as well as wages, are negotiated with sending countries through bilateral agreements, which can be easily circumvented.¹⁵ The country was also the last in the GCC to announce the enactment of a Wage Protection System,¹⁶ set for May 2018.¹⁷ Yet, Bahrain was also the first country in the region to extend to domestic workers some provisions of 2012's new Labour Law, such as access to Ministry of Labour's mediation in case of conflict and the requirement that a domestic worker have a contract as well as annual vacation and severance pay. However, "the new law does not set maximum daily and weekly work hours for domestic workers or mandate that employers give them weekly days off or overtime pay. In this regard, the law fails to address the most common abusive practice of excessive work hours that domestic workers face."¹⁸ Nonetheless, LMRA introduced a mandatory standardised labour contract for domestic labourers, enacted from October 2017 onwards. Under the new contract to be assessed by prospective workers in their country of origin, employers must indicate clearly the nature of the job proposed, work and rest hours, and weekly days off.¹⁹ The LMRA recently announced other guarantees for domestic workers, among which is their incorporation under the new Wage Protection System.²⁰ The Bahraini parliament also voted to extend free healthcare to all domestic workers, granting them the same access to medical services as Bahrainis, with no charges either to them or their employers.²¹

The last of the major reforms implemented recently in Bahrain's labour migration system is the introduction of the flexible work permit (Flexi Permit) since April 2017. Bahrain's general amnesty for workers and residents in irregular administrative situation conducted in 2015²² spurred a change in policies applied to irregular labourers.²³ The LMRA conceived the Flexi Permit scheme to promote "economic flexibility," i.e., increase competition for jobs between locals and foreign labourers, as well as to limit irregular migration. The Flexi Permit is "a renewable two-year permit which allows the eligible person to work and live in the Kingdom of Bahrain without an employer (sponsor) where he can work in any job with any number of employers on full or part-time basis."²⁴ There are two types of Flexi Permit. One enables the holder to work in any non-specialised job, but outside the accommodation and restaurants sector, while the Flexi Hospitality Permit enables the holder to work in any non-specialised job within the accommodation sector. A maximum of 2,000 Flexi Permits is to be delivered monthly. Although in theory, the Flexi Permit opens the door to consultants and freelancers effectively sponsoring themselves and able to choose their employers and projects,²⁵ the project was hailed at the international

level as an innovative solution to curb irregular, hence abusive employment.²⁶ The scheme indeed incorporates some undocumented workers who would then become legal.

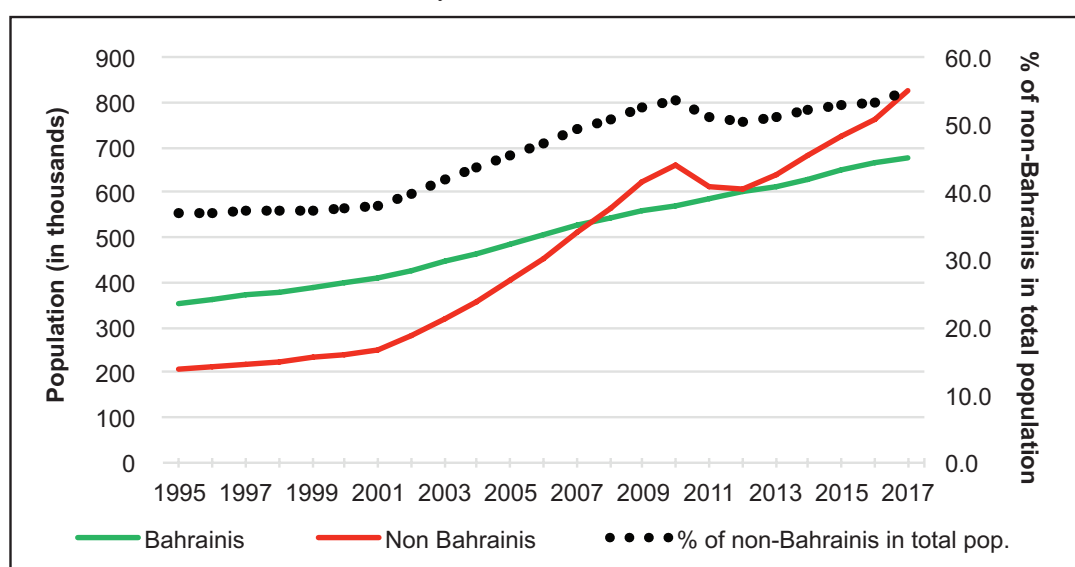
However, many of these would remain in illegality due to the strict eligibility criteria and conditions set to be granted a Flexi Permit. First, domestic workers, irregular migrants who entered Bahrain on a visit visa, those with “runaway” complaints against them, with travel bans or court cases and those with expired passports or with passports that are valid for less than six months are not eligible to claim a Flexi Permit, despite their de facto vulnerability. Regular migrants who are employed cannot leave their employer and apply for the scheme, either.²⁷ Family reunion is forbidden for beneficiaries of the new scheme. The high cost of the Flexi Permit is another obstacle to fix one’s situation. Permit holders must pay an initial BD449 (\$1,200) to the LMRA, including health coverage and other fees, as well as a monthly BD30 (\$80) fee.²⁸ As suggested by Migrant Rights, “the Flexi Permit appears to be designed primarily to lower the cost of hiring migrant workers and to boost government coffers, rather than to genuinely reform the structural deficiencies of the sponsorship system that render workers vulnerable to exploitation and pushes them into irregularity.”²⁹

INWARD MIGRATION

Stocks

Mid-2017, Bahrain’s population was estimated at 1,501,116, of whom 823,610 (55 per cent) were foreign nationals.³⁰ The number of foreign residents rose rapidly during the 2000s and non-nationals accounted for up to 54 per cent of the total population in 2010. Foreign population declined by 7 per cent in 2011, probably due to the eruption of civil conflict in the country but has been rising again since 2013.

Figure 1: Bahrainis and non-Bahrainis in total resident population
(mid-year estimates, 1995-2017)



Source: Central Informatics Organisation (CIO) and Information & E-Government Authority, Bahrain.

The profile of the foreign population is that of a predominantly male (74 per cent, or 282 men for 100 women) and relatively young population (mean age is 33.5 years), distorted in its age structure: those in the working age group (15–64 years age group) formed 89.3 per cent of all non-nationals in 2017.³¹ Foreign residents were also little educated on average (82.5 per cent of the total as well as employed foreign populations have below secondary level education).³²

In Bahrain, the vast majority of foreign nationals have always been from Asia (84.4 per cent in 2010).³³ In 2018, certain Asian nationalities, such as Indian nationals, made up a half of all resident expatriates (49 per cent), and 47.4 per cent of all foreign workers.³⁴ Four Asian nationalities together made up 84 per cent of all foreign residents.³⁵ The Egyptians numbered 24,033, which made them the fifth most numerous national group and first among the Arabs residing in Bahrain.

Table 1: Bahrain's foreign resident population by main countries of origin, migration status and sex ratio (2018)

Selected countries of citizenship	Total expatriates		Migration status		Sex ratio (men/100 women)
	Number	%	Worker	Family member	
India	310,105	48.8	77.8	22.2	420
Bangladesh	128,390	20.2	96.2	3.8	3,464
Pakistan	58,062	9.1	81.4	18.6	609
Philippines	35,596	5.6	89.3	10.7	74
Sri Lanka	5,734	0.9	71.5	28.5	234
Egypt	24,033	3.8	45.4	54.6	145
Jordan	7,773	1.2	41.4	58.6	137
Yemen	6,313	1.0	42.4	57.6	176
Syria	3,717	0.6	39.9	60.1	149
UK	4,150	0.7	58.7	41.3	140
Other nationalities	51,032	8.0	78.2	21.8	208
Total	634,905	100	80.1	19.9	393

Source: Authors' processing of data from the LMRA Expat Management System (EMS), June–July 2018.

The foreign resident population in Bahrain displays great demographic and socio-economic diversity. The sex ratio in Arab populations is less imbalanced than among Asians. Filipinos are the only national group made up of a majority of women, probably due to the high share of these nationals employed as female domestic workers in the GCC region.

Asian populations (Bangladeshis especially) are mostly made up of workers, while Arab populations comprise mainly family dependents. The high share of family dependents among Yemenis and Syrians in 2018 is especially worth noting. Four years earlier, in 2014, Yemeni and Syrian nationals comprised a significantly lower share of family dependents (46 and 52 per cent, respectively).³⁶ The change in the profile of the two communities may indicate that Bahrain accepted some degree of family reunion among these nationals and received some de facto refugees from the two conflicts. More generally, the share of family dependents among Arabs also suggests that these expatriates, on average, occupy more skilled

positions than Asian nationals: like in other Gulf countries, the income level of the expatriate conditions his/her right to sponsor family members for residency in Bahrain. Of the 126,412 family dependents recorded in 2018 by the Expat Management System, 68 per cent were females. Spouses made up 38 per cent of the family dependents, almost all of them (99.5 per cent) female spouses.

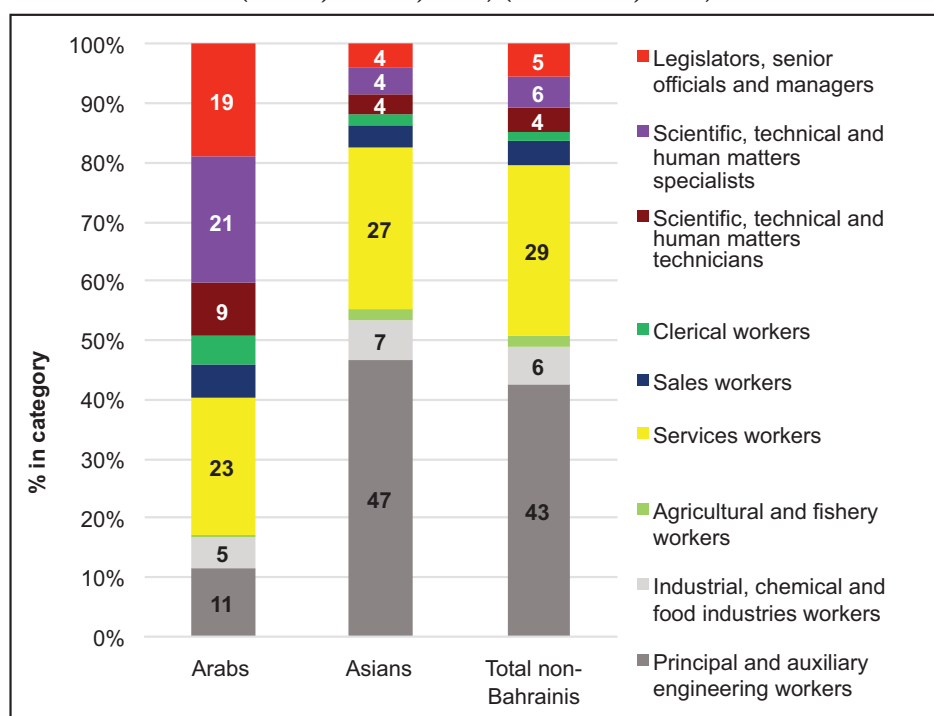
In mid-2017, 606,357 persons or 74 per cent of the foreign residents were employed,³⁷ making up 79 per cent of the total employed population in the Kingdom. Unlike in other GCC states, Bahraini nationals are mostly enrolled in the private sector (66 per cent of the employed Bahraini population as of mid-2018). Most of the foreign labourers are also employed in the private as well as in the domestic sectors: respectively, 83 and 15 per cent of the non-Bahraini employed population.

Foreign labourers accounted for 83 per cent of the private sector's workforce mid-2018.³⁸ As regards their activity, the bulk of the foreign labourers employed in the private sector worked in construction (34 per cent, and 36 per cent of foreign male labourers), in sales-related activities (22 per cent, and 30 per cent of foreign females in the sector), in manufacturing (12 per cent) and in the accommodation and food services sector (10.6 per cent). Interestingly, a sizeable share of Bahraini nationals also worked in these activities, which suggests that the Bahraini labour market is less segmented by nationality than other Gulf labour markets. Bahrainis working in the manufacturing sector made up 15.4 per cent of nationals in the private sector, while the construction and trade sectors employed, respectively, 15 and 25 per cent of them, among men as well as women. Another 11 per cent worked in financial and insurance activities.³⁹

The dominance of low-skilled activities among expatriates, especially in labour-intensive sectors such as construction, explains the rapid turnover of foreign labourers: 43 per cent of recorded private sector's foreign employees had been working for less than one year and 59 per cent had stayed for less than two years. Long-term residents (ten years and more) made up only 8.7 per cent of labourers.⁴⁰

Indeed, a half (49 per cent) of all foreign workers were confined to the lowest categories of occupation⁴¹ and 29 per cent worked in services-related, low-skilled professions in 2010 (Figure 2, last available data as of 2018).⁴² Fifteen per cent of expatriates held managerial and highly-skilled posts that year.⁴³

Figure 2: Employed non-Bahrainis by occupation and nationality group (Arabs, Asians, total) (all sectors, 2010)



Source: Census 2010, CIO.

Figure 2 also indicates that among foreign labourers, Asian workers were most often confined to services and blue collar occupations (80 per cent of them as of 2010).⁴⁴ Arab expatriates, by contrast, displayed more diversity in their occupations: 40 per cent of them were in manual low-skilled sectors but almost a half of these workers were in managerial and higher technical occupations, as opposed to only 12 per cent of Asians. This illustrates why Arab nationals had a more balanced sex ratio on average and were often able to benefit from family reunion more than Asian nationals, as noted earlier. Mostly low-skilled, low-paid Asian workers could not meet the required financial conditions allowing them to bring their families over to Bahrain, in contrary to the bulk of Arab employees. Nonetheless, as we have seen, nationals from Asian countries largely outnumber other nationals, up until now. Therefore, employees originating from Asian countries in 2010 were significantly more numerous in highly-skilled positions (56,342) than Arab nationals (12,631), and almost as many as Bahraini nationals (73,362). Managerial and highly-skilled professions were thus mostly staffed by locals and by Asians. Given the persistence of the numeric domination of Asian nationalities in 2018 (Table 1), it is likely that these nationals still vastly outnumber Arabs and Westerners in the lowest and highest categories of occupations.

Among the 91,852 domestic labourers recorded in the second quarter of 2018, females numbered 69,374, making up 76 per cent of all foreign workers in the sector. Indian, Ethiopian and Filipino nationals each made up 22 to 23 per cent of domestic labourers, the latter two nationalities being overwhelmingly females (respectively, 0.2 and 2.7 per cent). The majority of women domestics were employed as housemaids (97 per cent), while men were private drivers (54 per cent of them), servants (22 per cent), private gardeners (12 per cent), and cooks (8 per cent).⁴⁵

Flows

As emphasised earlier, Bahrain's national and non-national resident populations both rose notably during the 2000s. As of the late 1990s, demographic growth rates in Bahrain had remained relatively constant at around 2.4 per cent annually for several years. Yet, between 2000 and 2009, a marked increase in nationals' growth rates (from 2.4 to 4.2 per cent annually) can be noticed.

The registration of vital events in Bahrain is considered excellent by international standards⁴⁶ and the country publishes vital statistics disaggregated by nationality. This allows for drawing a simulation scenario of the growth of the Bahraini population, had it been based on natural increase (births minus deaths) only. As indicated in Figure 3, the actual, observed size of the Bahraini population starts rising much faster than the simulated national population (that growing through natural increase only) after 2001. An estimate of the unexplained "surplus" within Bahraini population as of 2016⁴⁷ is therefore:

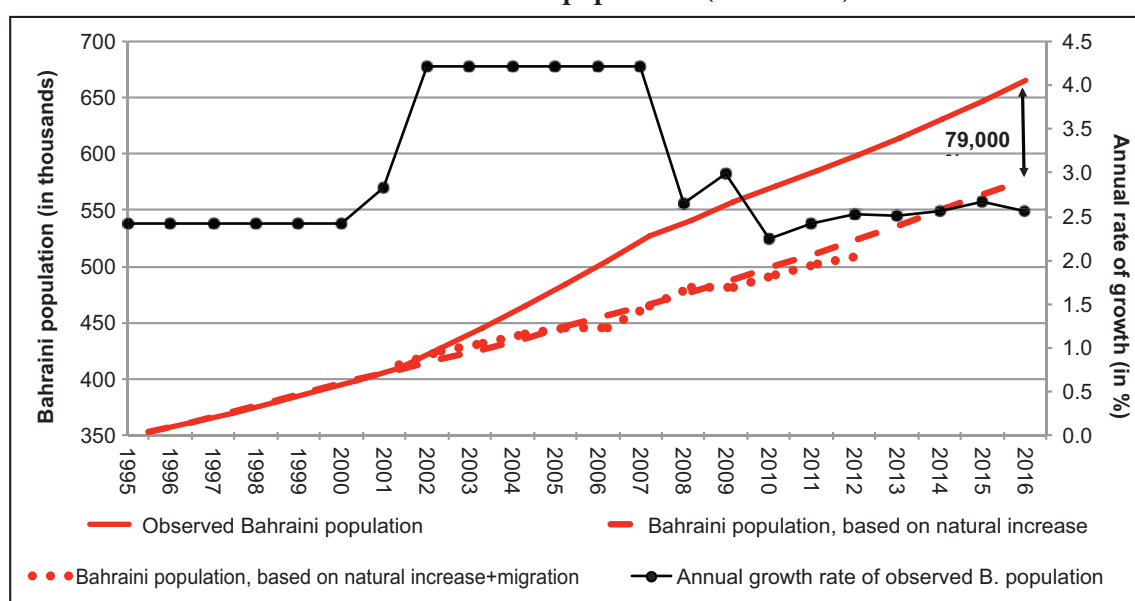
$$\text{B. pop. (2016)} - \text{B. pop. (2000)} - [(\text{sum of B. births (2000-2016)} - \text{sum of B. deaths (2000-2016)})] = 79,290$$

If we introduce in the calculation the other component of the population increase, the Bahraini citizens' migration movements (during the period of 2001-2012),⁴⁸ the "surplus" expands:

$$\text{B. pop. (2016)} - \text{B. pop. (2000)} - [(\text{sum of B. births (2000-2016)} - \text{sum of B. deaths (2000-2016)}) - [\text{sum of B. arrivals (2001-2012)} - \text{sum of B. departures (2001-2012)})] = 105,366.$$

This "surplus" of Bahraini nationals, in the range of 79,000 (based on natural increase only) and 105,000 residents (based on natural increase between 2000 and 2016, and migration between 2001 and 2012), thus represented between 12 and 16 per cent of the Bahraini citizens recorded in 2016.⁴⁹ Some of these persons were probably naturalised foreign nationals.⁵⁰

Figure 3: The possible effect of naturalisations on the growth of the Bahraini national population (1995-2016)

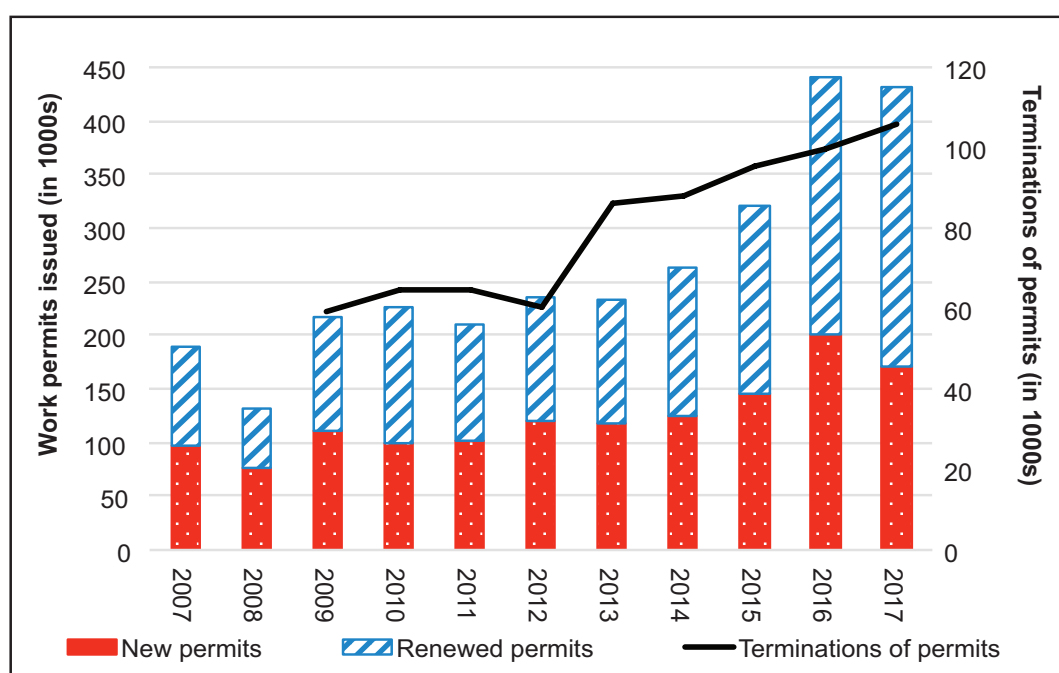


Source: Author's calculations, based on births, deaths and population figures for Bahraini nationals published by the Central Informatics Organisation (CIO) and Information & E-Government Authority, Bahrain.

As regards foreign workers, during the 2000s, the number of those granted regular work visas (new and renewed) alone more than doubled, from 104,000 in 2002 to 217,236 in 2009, despite a moderate decline in 2008 due to the financial crisis (Figure 4). Over the 2010s, after initially stagnating between 2009 and 2013, the numbers of “regular” labour permits issued went up and doubled again, to peak at 441,128 in 2016.⁵¹ At first sight, the upward trend of the number of permits issued thus seems unaffected by the variations in oil prices, especially the sharp drop which occurred after 2013–2014.

However, since that date, some changes occurred in the status of permits issued, with first-time permits being outnumbered by renewals of documents: this suggests a decrease in foreign workers’ turnover. In 2007, before the financial crisis, for instance, first-time hires made up more than a half (57 per cent) of all permits issued that year. The ratio began falling after 2013, to reach below 40 per cent in 2017.

Figure 4: Flows of foreign labourers to Bahrain by status of permits issued (2007–2017)



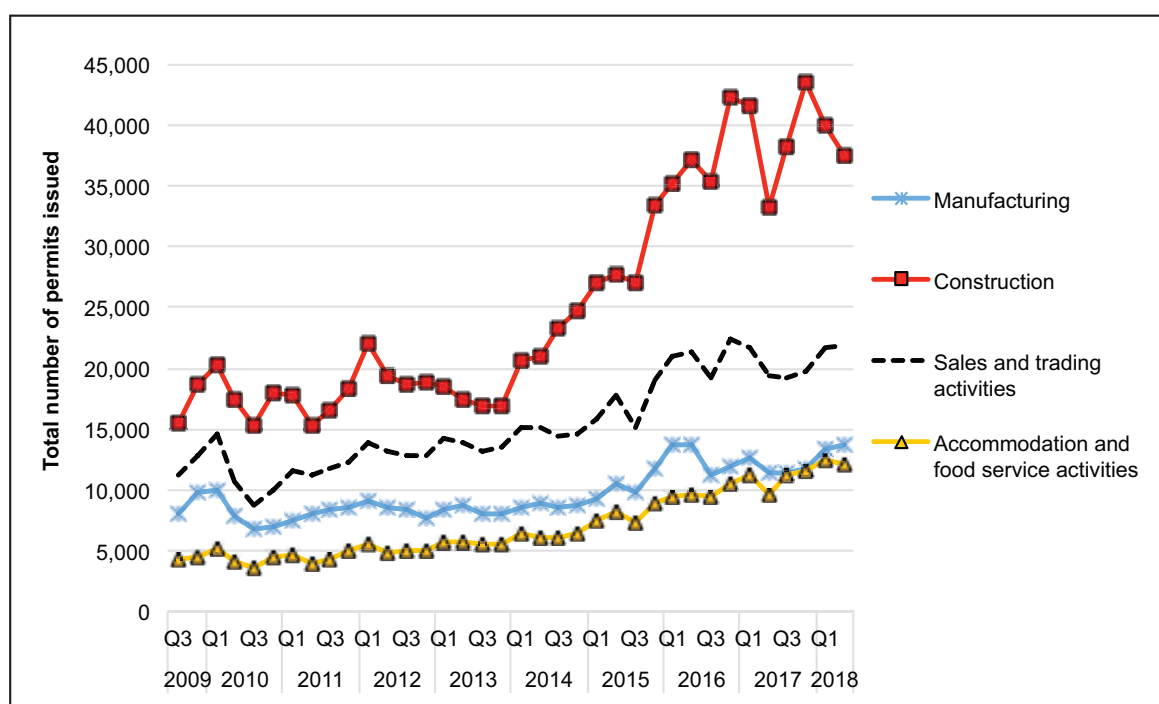
Source: MoL (2007) and EMS, LMRA (2008–2017). These visa figures do not include domestic workers, business people and temporary workers.

The drop in the share of new permits suggests two types of possible changes in the hiring patterns over the late 2010s. First, business owners may be retaining previously trained labourers in Bahrain, while increasingly postponing new recruitments. Such a “labour-hoarding” strategy may be indicative of investors’ lack of confidence in long-term economic prospects.⁵² Second, the lower rates of workers’ turnover could also signal adjustments of the labour market performed during the decade. The number of workers’ transfers between sponsors/employers indeed expanded since 2015, from 11,810 during Q1 2015 to 20,000 early 2018. By then, 65 per cent of transfers followed the termination or expiry of the labourer’s permit.⁵³ Figure 4 also indicates that the number of work visas’ terminations has been increasing since 2013, reaching beyond 105,000 for the year 2017.

That year, the number of all permits issued showed a decrease. From an 11 per cent growth during the fourth quarter of 2016, foreigners' employment growth rates sank during 2017 and even became negative (-1 and -4 per cent) in Q3 and Q4 2017. Early 2018 (Q1 and Q2), the growth rates of foreign employment were stalling around 0 per cent.⁵⁴

Until the end of 2016, certain economic activities had been steadily attracting and retaining foreign workers as witnessed in the movement of permit issuances by economic activity sector (Figure 5).⁵⁵ Most visas were granted to expatriates bound for the construction sector, especially since early 2014, when Bahrain's economy started recovering from the 2008 global economic recession and the 2011 political crisis. Thirty-three per cent of all regular worker permits were issued in this category as of Q2 2018. The retail trade sector, too, has been a magnet for flows of foreign workers, in line with the Kingdom's consumption- and service-oriented economy as noted earlier. Hiring in these sectors, however, has been fluctuating since 2016 and could soon be put on hold. In construction, for instance, new contracts have been declining since 2016 and more labourers are now employed on renewed permits.⁵⁶

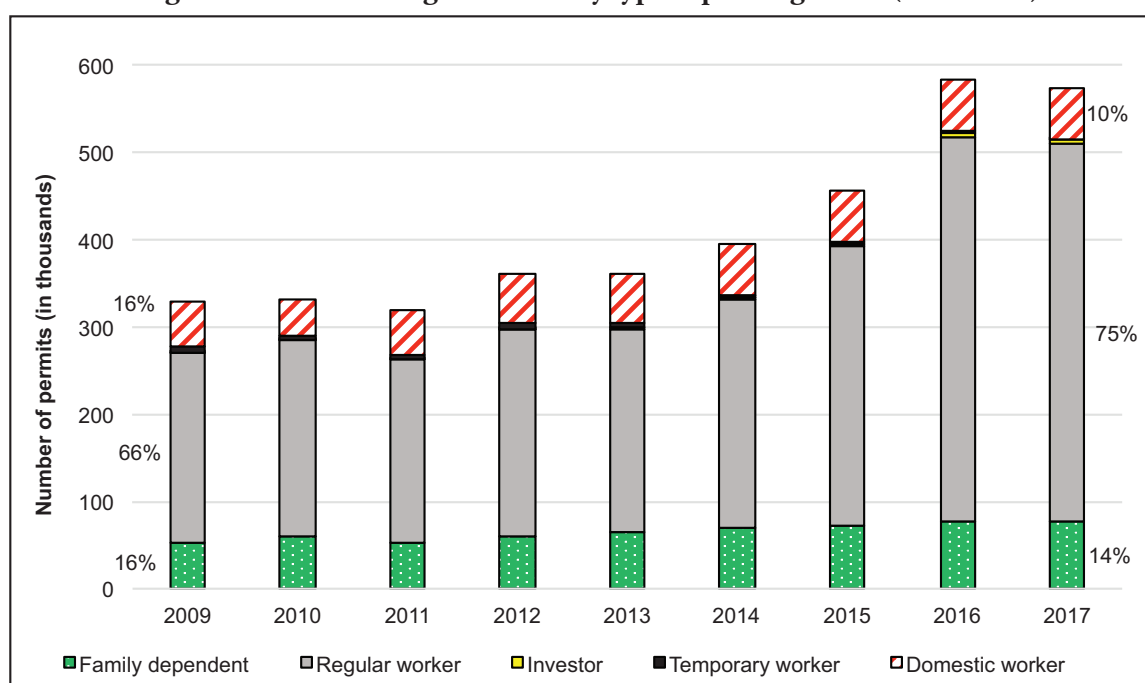
Figure 5: Number of employment visas issued by major economic sector (Q3 2009 to Q2 2018)



Source: Expatriates Management System (EMS), LMRA. Permit figures are the sum of new and renewed permits for the year.

As for the inflows of foreign residents, in all categories of permits including family dependents,⁵⁷ they increased markedly starting 2014, from 329,200 in 2009 to 575,113 in 2017 (Figure 6). Moreover, the relative distribution between these categories of permits shows a slight change across recent years, with the share of “regular labourers” gaining in importance, from 66 to 75 per cent of the total. Although data on permits granted by occupation category are missing to confirm such an assertion, this suggests that no qualitative change in the skill profile of foreign labourers in Bahrain occurred during the period. The situation is not likely to change as recent legal measures may not encourage family reunion in Bahrain. The Bahraini government indeed raised the minimum salary required for foreigners to obtain family visas from BD250 (\$660) to BD400 (\$1,060) early 2018.⁵⁸ However, 89 per cent of foreign workers in the private sector, and 86 per cent of those in the public sector, received monthly wages below this threshold, as of 2018.⁵⁹

Figure 6: Flows of foreign residents by type of permit granted (2009-2017)

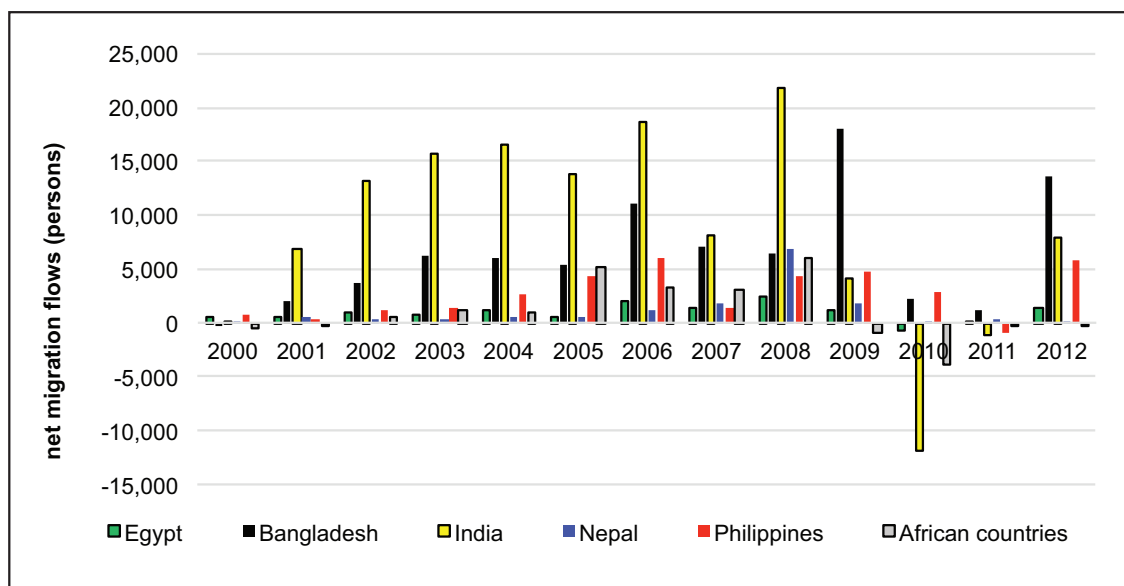


Source: EMS, LMRA and MoL. Permit figures are the sum of new and renewed permits for the year.

As noted earlier, the share of family dependents within expatriate populations is an indication of the skill and occupation profile of the foreign workers: the higher the latter, the more likely they are to be financially able to sponsor their next-of-kin for family reunion in the Gulf. In spite of the lower worker turnover and recent, marked slowdown of recruitments noted previously, the combination of all permit-related indicators thus reflects the continued reliance of Bahrain's economy on large numbers of low-wage expatriate workers.

The upward trend in permit terminations since 2012, growing levels of permit renewals and sponsorship transfers suggested ongoing adjustments to the labour market, as mentioned earlier (Figure 4). Figures seem consistent with regularisation and/or expulsions of some undocumented workers. Fighting irregularity and enhancing government control over the labour market is a key concern in Bahrain like in other GCC countries.

Figure 7: Net migration flows to Bahrain (selected countries of origin, 2000-2012)



Source: Ministry of Interior, figures of entries and exits by country of citizenship (not available after 2012).

As shown in Figure 7, the several campaigns organised by LMRA since its inception, aiming to regularise or facilitate the exit of foreign workers in irregular situation, did entice some expatriates to leave Bahrain. In 2010, for instance, LMRA officials claimed they were planning to send home or legalise more than 40,000 irregular workers by the end of the year.⁶⁰ Indeed, the global net migration flows (inward minus outward movements of persons across national borders)⁶¹ went down notably over the period 2009-2011. Among some national communities such as the Indians, as well as among nationals from African countries, more exits than entries were recorded in 2010. This suggests that some expulsions of irregulars did take place. A general amnesty period in 2015 permitted 42,000 residents in irregular situation to fix their situation. Seventy-six per cent of them remained in the kingdom after moving to new employers, while 24 per cent, or 10,125, left Bahrain. Bangladeshi, Indian and Pakistani workers, respectively, were said to have benefited most from the amnesty.⁶² Figures of entries and exits at Bahrain's borders, disaggregated by traveller's country of citizenship, ceased being published after 2012, but estimates released by LMRA pointed to the presence of some 60,000 illegal workers in Bahrain in 2018, most of them from Bangladesh.⁶³

In this context, the outcomes of the implementation of the new "Flexi permits" to alleviate irregular employment is yet to be studied. In April 2018, the LMRA claimed it was issuing "a daily average of more than 20 flexi-work permits,"⁶⁴ which shows that the monthly target of 2,000 such permits is

still far from reach. Between July and December 2017, 2,600 such permits were granted to previously irregular labourers.⁶⁵

Due to its high costs for workers, as suggested in the introduction, the new measure may not succeed in decreasing irregular employment and in making Bahrain's labour market more flexible and fairer for most workers. Enhancing the professional mobility of foreign workers, as well as protecting them from employers' abuses, were also the initial goals of the abolition of the "no-objection certificate" (NOC) in 2009, which prevented labourers from switching kafeel without the latter's permission. Yet, most recent data indicate that of the 18,063 workers' transfers performed during the second quarter of 2018, only 0.3 per cent happened without the employer's consent.⁶⁶

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Endnotes

1. GDP per capita around \$23,000 for 2017, a level similar to that of Saudi Arabia (\$21,000), <https://databank.worldbank.org/data/indicator/NY.GDP.PCAP.CD/1ff4a498/Popular-Indicators>.
2. Agreements made between the Al-Khalifa, rulers of Bahrain, and the American and British oil companies. See Louër 2008: 34.
3. Seccombe and Lawless 1986: 551.
4. Louër 2008: 34
5. The Westerners filled most managerial posts, while clerical and technical workers were predominantly from the Indian subcontinent as well as Iran and the Arab Middle East. As for the locals, they occupied the lowest positions, had comparatively mediocre working and living conditions in the industrial sector, and received lower wages than foreign workers: in 1948, Bahrain Petroleum Company (BAPCO) Bahraini employees' salaries were half that of Indian employees (Lawless and Seccombe 1986: 568).
6. Louër 2008: 35.
7. Gardner 2008.
8. AlShehabi 2015.
9. Oxford Business Group, 2019.
10. AlShehabi 2011.
11. <https://lmra.bh/portal/en/page/show/133>.
12. Decision No. 79 of 2009, or "Mobility Law."
13. Art. 1, Decision No. 15 of 2011 Amending Paragraph A of Article 25 of Law No. 19 of 2006 Regulating the Labour Market, Official Journal, Issue No. 3005 (June 23, 2011), p. 5, Legislation & Legal Opinion Commission, Kingdom of Bahrain, <http://www.legalaffairs.gov.bh/Media/LegalPDF/K1511.pdf>.
14. <https://www.albawaba.com/business/bahrain-minimum-wage-545787>.

15. Human Rights Watch, 2012.
16. Which requires employers to pay all salaries by bank transfer. See Jureidini 2017.
17. <https://www.cipd.ae/people-management/news/bahrain-private-sector-pension>; https://www.zawya.com/mena/en/business/story/Banks_in_Bahrain_gear_up_for_new_wage_system-SNG_113185089/.
18. Human Rights Watch 2012.
19. <http://blog.lmra.bh/en/2017/09/19/new-contracts-for-domestic-workers-to-be-enforced-from-october-1/>.
20. <https://www.migrant-rights.org/2018/03/assessing-bahraains-new-standard-contract-for-domestic-workers/>.
21. <https://www.migrant-rights.org/2018/04/bahrain-may-provide-free-healthcare-for-domestic-workers/>.
22. <http://blog.lmra.bh/en/2016/01/04/lmra-stresses-amnesty-period-success/>.
23. <https://www.alayam.com/alayam/first/667133/News.html>.
24. <http://lmra.bh/portal/en/page/show/325>.
25. <https://www.cipd.ae/people-management/news/bahrain-flexible-work-permit>.
26. <http://blog.lmra.bh/en/2017/10/15/bahraains-flexible-work-permit-model-adopted-by-un/>.
27. <https://www.migrant-rights.org/2018/08/one-year-since-launch-has-bahraains-flexi-permit-lived-up-to-its-hype/>.
28. <http://lmra.bh/portal/en/page/show/325>.
29. <https://www.migrant-rights.org/2018/08/one-year-since-launch-has-bahraains-flexi-permit-lived-up-to-its-hype/>.
30. Bahrain Information & E-Government Authority, Statistical Yearbook 2017, “Population Section” (<http://www.data.gov.bh/en/ResourceCenter>). The estimates of population growth are based on the results of 2010 census and on the population register’s records.
31. Bahrain Information & E-Government Authority, Statistical Yearbook 2017, “Population Section” (<http://www.data.gov.bh/en/ResourceCenter>).
32. The figures refer to census 2010 data (last available data as of November 2018): <http://gulfmigration.eu/population-aged-15-years-old-by-nationality-group-sex-and-highest-education-level-2010/> and <http://gulfmigration.eu/bahrain-employed-population-15-years-old-by-nationality-bahraininon-bahraini-sex-and-highest-educational-level-2010/>.
33. Census data, <http://gulfmigration.eu/population-by-nationality-group-and-sex-2010/>.
34. Quarterly data taken from the expatriate management system (EMS) of LMRA, http://blmi.lmra.bh/2018/06/data/ems/Table_07a.xls (workers) and http://blmi.lmra.bh/2018/06/data/ems/Table_60.xls (family dependents). These estimates of foreign residents are inferred from figures of expat visa issuances (GCC workers are not included). Therefore, the figures differ slightly from the data released by the Bahrain Information & E-Government Authority, or data published by the private and public employment’s insurance schemes GOSI and PFC. EMS data include domestic workers but exclude work visas for artists and certain other categories of workers in non-civilian organisations (Armed Forces, for instance).
35. Nepalese residents are not included in Table 1, since Nepalese family dependents are only a few. They are the sixth most numerous national group with 16,397 residents in Bahrain (workers).

36. See the previous version of this report, <http://cadmus.eui.eu/handle/1814/35882>.
37. Includes all civilian employed persons in the private and public sectors (insured, uninsured, and self-employed) as well as domestic workers. Mid-2018 (end of Q2 2018, last available data at the time of writing), employed Bahrainis numbered 158,814 and foreign labourers were 600,857 (LMRA, Bahrain Labour Market Indicators, Issue 42, Q2, 2018, http://blmi.lmra.bh/2018/06/newsletter_en.pdf). [http://lmra.bh/portal/files/cms/shared/file/Newsletter/NewsletterQ3\(En\).pdf](http://lmra.bh/portal/files/cms/shared/file/Newsletter/NewsletterQ3(En).pdf).
38. Data extracted from files submitted by the Expatriate Management System (LMRA-EMS), the General Organisation for Social Insurance (GOSI), the Pension Fund Commission (PFC), and the Civil Service Bureau (CSB) monthly data files to LMRA (source: Table A. Estimated total employment by citizenship and sector: 2007–2018, http://blmi.lmra.bh/2018/06/data/lmr/Table_A.pdf).
39. Data is taken from the Expat Management System (EMS) (source: LMRA, Kingdom of Bahrain, based on data from Bahrain Labour Market Indicators. http://blmi.lmra.bh/2018/06/data/ems/Table_06.xls).
40. LMRA, Kingdom of Bahrain, based on data from Bahrain Labour Market Indicators website <http://www.lmra.bh/blmi>, Q2 2018, table 10.
41. “Principal and Auxiliary Engineering Workers” and “Industrial, Chemical and Food Industries Workers.”
42. See <http://gulfmigration.org/bahrain-employed-population-by-nationality-bahraininon-bahraini-sex-and-occupation-2010/>. Last available data allowing to measure accurately the distribution of occupations by nationality. More recent data published by LMRA are not comparable to these data and use different classifications for occupations. Data on the occupational distribution of labourers published in Statistical Yearbooks (Chapter “Labour”) only classify a small share of foreign workers.
43. Scientific, technical and human matters technicians; Scientific, technical and human matters specialists; Legislators, senior officials and managers.
44. Last available data on the distribution of occupations by nationality group.
45. Holders of domestic work visas, LMRA Domestic Workers System (DMS). Source: LMRA website’s dashboard, Q2 2018, http://blmi.lmra.bh/2018/06/mi_dashboard.xml, section “Domestic Visas.” Figures decreased from 2017, due to the cleansing of more than 13,000 domestic workers’ records during the second quarter of 2018 (http://blmi.lmra.bh/2018/06/mi_dashboard.xml).
46. As stated in an assessment of Bahrain’s Civil Registration and Vital Statistics System by the UN: “The most recent quality assessment was in 2006 and the completeness for the registration of all five vital events was found to be close to 100%” (UN Technical Report on the Status of Civil Registration and Vital Statistics in ESCWA Region, United Nations, ESA/STAT/2009/9, p. 4 (§15)), <http://unstats.un.org/unsd/vitalstatkb/Attachment26.aspx>.
47. Last data available as of November 2018.
48. The data on arrivals and departures by citizenship are available only for this period.

49. Population estimates and vital statistics (births, deaths) disaggregated by nationality are published on the website of the Bahrain Open Data Portal, and in Bahrain's Statistical Yearbooks, <http://www.data.gov.bh/>.

	B. pop. observed (mid-year)	B. births (mid-year)*	B. deaths (mid-year)*	B. pop. based on natural increase (mid-year)	B. arrivals (mid-year)*	B. departures (mid-year)*	B. pop. based on natural increase + migration (mid-year)	Population growth rate
	(1)			(2)			(3)	
1994	344,479							
1995	352,900	10,384	1,477	353,387**				2.42
1996	361,530	10,347	1,521	362,213				2.42
1997	370,377	10,566	1,473	371,306				2.42
1998	379,435	10,810	1,565	380,550				2.42
1999	388,714	11,039	1,601	389,988				2.42
2000	398,221	11,113	1,565	399,536				2.42
2001	409,623	10,700	1,583	408,652	1,220,900	1,216,638	412,914	2.82
2002	427,245	10,491	1,633	417,510	1,307,439	1,299,409	425,540	4.21
2003	445,631	10,929	1,705	426,734	1,406,016	1,400,162	432,589	4.21
2004	464,807	11,512	1,770	436,476	1,548,277	1,544,400	440,354	4.21
2005	484,811	11,846	1,804	446,519	1,722,822	1,723,369	445,972	4.21
2006	505,671	11,847	1,805	456,561	1,885,442	1,895,642	446,360	4.21
2007	527,434	11,986	1,790	466,757	2,024,222	2,025,865	465,114	4.21
2008	541,587	12,601	1,840	477,518	2,269,846	2,266,136	481,228	2.65
2009	558,011	13,213	1,897	488,834	2,438,324	2,445,862	481,296	2.99
2010	570,687	13,543	1,899	500,478	2,219,851	2,227,199	493,130	2.25
2011	584,688	13,518	1,993	512,003	1,124,010	1,133,531	502,481	2.42
2012	599,629	14,121	2,068	524,056	1,531,073	1,546,085	509,010	2.52
2013	614,830	15,007	2,032	537,030	n.a.	n.a.	n.a.	2.50
2014	630,744	15,527	2,105	550,452	n.a.	n.a.	n.a.	2.56
2015	647,835	15,734	2,174	564,012	n.a.	n.a.	n.a.	2.67
2016	664,707	15,376	2,204	577,184	n.a.	n.a.	n.a.	2.57

Source of data: births, deaths, arrivals, departures and population figures (col. (1)) for Bahraini nationals published by the Central Informatics Organisation (CIO) and Information & E-Government Authority, Bahrain.

Population figures in columns (2) and (3) are author's calculations, based on CIO published data.

* Published figures were end-of-the-year figures.

Mid-year figures for year n were obtained the following way: $[x(\text{year } n) + x(\text{year } n - 1)] / 2$.

** $\text{Pop (2) (1995)} = \text{pop (1) (1994)} + \text{births (1995)} - \text{deaths (1995)}$

50. This hike in population growth rates during the period could also be due to the following fact: between 2001 (the year of census) and 2007 (the year the Central Population Register (CPR) became operational), population could only be estimated. In such a case, a share of the population increase would come from the inclusion of unregistered citizens into the CPR throughout the period.
51. Figures of "regular work visas," which do not include domestic labourers, temporary workers and business people. Source: Ministry of Labour records (2002-2007) and Expatriate Management System of LMRA (2008-2014), Labour Market Indicators, tables 32 and 33, http://blmi.lmra.bh/2018/06/mi_data.xml.
52. As pointed out by Birks, Seccombe, and Sinclair (1986: 810) in a study on Kuwait, a drop in new work permits issued rapidly followed cuts in government expenditures in the early 1980s, while renewals of permits simultaneously increased. The authors labelled this process a "labour-hoarding strategy" used by employers at times of economic uncertainties.

53. Expat Management System (EMS), local transfers of workers holding permits for “regular employment.” Source: LMRA, Kingdom of Bahrain, based on data from Bahrain Labour Market Indicators website, <http://www.lmra.bh/blmi>, table 38a.
54. Source: LMRA, Bahrain Labour Market Indicators’ dashboard for Q2 2018 (last available data as of December 2018), http://blmi.lmra.bh/2018/06/mi_dashboard.xml. Per cent employment growth rates by nationality.
55. Only concerns the permits delivered for the category of “regular employment,” new and renewed (tables 35a and 36a, Labour Market Indicators, quarterly dashboard, Q3 2009 to Q2 2018, LMRA, http://blmi.lmra.bh/2018/06/mi_dashboard.xml).
56. Source: tables 35a (new permits) and 36a (renewed permits), Labour Market Indicators, quarterly dashboard, Q3 2009 to Q2 2018, LMRA, http://blmi.lmra.bh/2018/06/mi_dashboard.xml).
57. Includes all categories of visas processed by the Expat Management System (EMS) of the LMRA: family dependents, temporary workers, investors and business people, regular workers and domestic labourers.
58. <http://www.alayam.com/online/local/702960/News.html>.
59. Source: LMRA, Kingdom of Bahrain, based on data from Bahrain Labour Market Indicators website, <http://www.lmra.bh/blmi>, table 18.
60. <http://www.gulf-daily-news.com/NewsDetails.aspx?storyid=279526>.
61. As recorded by the Ministry of Interior at border crossings and published in Statistical Yearbooks under the “Arrivals and Departures” section.
62. <http://blog.lmra.bh/en/2016/01/04/lmra-stresses-amnesty-period-success/>.
63. <http://blog.lmra.bh/en/2018/04/17/dhaka-delegation-in-talks-over-clamp-on-illegal-workers/#more-3571>.
64. <http://blog.lmra.bh/en/2018/04/17/dhaka-delegation-in-talks-over-clamp-on-illegal-workers/#more-3571>.
65. http://webcache.googleusercontent.com/search?q=cache:_hdZpqLk0rkJ:www.gulf-insider.com/bahrain-flexi-work-permit-sees-big-response/+&cd=18&hl=fr&ct=clnk&gl=fr.
66. LMRA, Bahrain Labour Market Indicators, Issue 42, Q2 2018. http://blmi.lmra.bh/2018/06/newsletter_en.pdf. The low turnover of expatriate workers, especially without the sponsor’s consent, was also pointed out by Steffen Hertog (2014: 13).

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