

# Policy Report

## Special Issue

*Highly Skilled Migration to the Gulf States:  
How Do GCC Countries Fare in the Global  
Competition for Talent?*

No.5

# Highly Skilled Migration from Egypt to the Gulf States

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## Executive Summary

As Egypt emerges as a significant source of skilled labour for the Gulf Cooperation Council (GCC) countries, the analysis stresses the "triple win" concept, whereby migration benefits Egypt, the GCC, and the migrants themselves. For Egypt, migration eases domestic unemployment, generates remittances, and creates potential for brain circulation. For the GCC, skilled Egyptian migrants are essential to advancing economic diversification goals in high-value sectors. Migrants, in turn, gain opportunities for career growth, higher income, and improved quality of life.

Key recommendations include:

For Egypt:

- Strengthening of bilateral agreements for enhanced social protections
- Leveraging migrant networks for knowledge transfer
- Implementing of reintegration programmes for returning professionals

For the GCC:

- Further reforming labour laws to reduce restrictive employment practices
- Improve social protections and portability of benefits
- Address gender-specific barriers to employment

## **Introduction and Context**

The migration of highly skilled workers from Egypt to the Gulf Cooperation Council (GCC) reflects a critical, mutually beneficial dynamic that has gained significance in recent decades. The GCC's shift from oil dependence to knowledge-based economies has created an evolving demand for skilled labour. To fuel this shift, the GCC has implemented extensive diversification plans that prioritise sustainable growth, foreign investment, and increased national and expatriate employment in high-skill sectors, where the demand is not entirely fulfilled by the national workforce, making foreign talent recruitment essential.

Egypt, with its large pool of educated professionals, stands as a source of skilled labour for the GCC. The Government of Egypt (GoE), in recognising the economic value of remittances <sup>1</sup>, actively supports migration as a pathway for financial stability and poverty alleviation.

The shift from low-skilled to highly skilled migration brings considerable benefits. For Egypt, in addition to remittances, the outflow of professionals to the GCC represents an opportunity to benefit from the acquired knowledge and skills. For the GCC, highly skilled migrants fill gaps across sectors, supporting economic diversification agendas. For the migrants, the move enhances career opportunities, increases income, and improves quality of life. Understanding this "triple win" is essential to optimising migration policies for maximum socio-economic benefit.

This policy report aims to analyse the drivers and outcomes of highly skilled migration from Egypt to the GCC. It examines existing policy frameworks, migration trends, and socio-economic impacts, concluding with recommendations for maximising benefits for all stakeholders. Given the economic challenges and growth objectives for Egypt and the GCC, strategic migration policies ensuring long-term stability for skilled migrants have become increasingly vital. Targeted policies can sustain migration benefits while underpinning regional economic development, fostering workforce integration, and protecting migrants' rights.

## **Current Trends and Drivers**

Migration from Egypt to the GCC has historically aligned with the economic cycles of the region. From the 1960s to the 1980s, migration was driven by demand for low- and semi-skilled labour, met by Egyptians and other Arab nationals. By the 1990s, the GCC started shifting their focus towards more specialised talents to support sectors such as education and healthcare.

This shift continued through the 2000s and was accelerated by national development plans <sup>2</sup>. These strategies prioritise economic diversification away from oil dependency by fostering knowledge-based industries in renewable energy, information technology, finance, and advanced manufacturing. Currently, the GCC's labour demand targets professionals to meet the needs of these sectors.

For Egypt, remittances, contributing approximately 6 percent of GDP and originating primarily from the GCC, reflect the high demand for Egyptian professionals who benefit from competitive salaries, tax-free income, and strong career prospects.

## Drivers of Migration

High unemployment rates among educated youth, skills mismatch with the resulting underemployment, and limited career prospects and access to innovative work environments, drive skilled Egyptians to seek opportunities abroad. Moreover, high inflation rates limit purchasing power and compound difficulties caused by low real wages, averaging around 200 US Dollars per month for skilled professionals<sup>3</sup>. These economic challenges, combined with limited domestic growth opportunities, create powerful "push factors" that motivate qualified Egyptians to pursue careers in GCC countries where their skills are more valued and compensated.

Additionally, bureaucratic challenges (centralised governance and limited social mobility) inhibit career progression, and political and social constraints contribute to the decision to migrate. For many professionals, the prospect of greater stability, career growth, and higher wages abroad offers a viable alternative to domestic hardships.

On the "pull" side, the nationalisation policies, such as "*Saudisation*" and "*Emiratisation*," are insufficient to meet the labour demands of the diversified economies in high growth sectors. Accordingly, the GCC countries offer favourable working conditions such as competitive salaries and enhanced residency options that attract skilled professionals. Strategic reforms (Saudi Arabia's Premium Residency Card and the UAE's Golden Visa) reflect the GCC's efforts to attract high-skilled workers by improving residency laws and labour rights. The shared language, cultural similarities, and geographic proximity between Egypt and the GCC help reduce integration barriers and contribute to strong migration flows.

## Challenges in Skilled Migration Governance

The migration of highly skilled Egyptians to the GCC presents governance challenges, stemming from regulatory and legal barriers. The lack of structured migration support systems and gaps in bilateral agreements provide inadequate protection for highly skilled migrants.

### Challenges for Egypt

The partial pre-departure orientation programmes, limited support during migration, and inadequate reintegration policies for returning migrants are challenges facing Egyptian migrants. Limited cooperation between relevant ministries, including the Ministry of Labour, the Ministry of Foreign Affairs and Egyptian Expatriate Affairs, and the Ministry of Economic Development and International Cooperation, has resulted in alignment gaps between migration policies and the broader national development agenda, leaving highly skilled professionals with minimal guidance on navigating labour markets in the GCC. This limited coordination stems from the changes pertaining to the portfolio of migration within the mandate of different ministries, each coming with different visions and objectives.

The existing agreements between Egypt and the GCC countries are informal<sup>5</sup> and do not adequately cover social security or benefits portability. Moreover, despite the efforts to engage Egyptians abroad, these initiatives lack sufficient reach and coordination to leverage their skills and expertise, and migrants have reported limited preparation before and support during migration.

While remittances from GCC-based Egyptian workers represent a critical economic contribution, efforts to monitor and support talent retention are underdeveloped. For instance, high unemployment rates

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among Egypt's educated youth and the resulting brain drain highlight an urgent need for policies that better retain talent domestically, while also capitalising on the skills developed abroad. The limited data further complicates the coordination of policies across sectors and limits the ability to match Egyptian professionals with relevant opportunities abroad.

### **Challenges for GCC Countries**

The legal and regulatory environment in the GCC countries presents several barriers to skilled migration. Among the primary challenges is the sponsorship system, which despite being partially reformed, still restricts mobility and rights as reported by Egyptian migrants, tying their employment status to a single employer. This limits job-switching and hampers social integration efforts, resulting in a sense of impermanence and insecurity for skilled professionals. Additionally, the lack of comprehensive social protection measures (such as access to healthcare and pensions), further discourages long-term settlement and creates a segmented labour market where migrants feel undervalued.

The introduced reforms remain restrictive and inaccessible for many migrants, as highlighted by highly skilled migrants. They primarily serve as temporary residency solutions, lacking the stability and rights associated with pathways to permanent residency. Consequently, these limitations drive skilled migrants to consider secondary migration to destinations offering clearer pathways to citizenship, such as Europe or North America, reducing the GCC's ability to retain talent and meet its strategic goals.

Women face unique barriers, both as nationals and migrants. Gender-specific limitations in accessing high-skilled jobs persist due to cultural factors and structural gaps in labour policies. While nationalisation policies encourage the participation of nationals in the private sector, they fail to account for the specific challenges women face, leading to underrepresentation in leadership roles and high-skilled sectors. Furthermore, agreements typically lack gender-sensitive provisions, which are essential for addressing the unique needs of female professionals.

### **Policy Analysis and Recommendations**

A structured and collaborative approach to skilled migration governance is required to address the challenges. Establishing skill certification standards and mutual recognition agreements would help enhance Egyptian workers' employability in the region. Strengthening bilateral agreements with explicit clauses on social security, benefits portability, and gender-sensitive policies would benefit both Egypt and the GCC countries.

For the GCC, further reforms would allow greater job flexibility, including implementing comprehensive social protection measures, enhancing benefits portability mechanisms, and developing inclusive labour policies. By creating transparent pathways to residency, the GCC can be more attractive and sustainable for professionals seeking long-term career growth.

Addressing these governance challenges holistically will enhance the developmental benefits of skilled migration and will promote a fairer and more inclusive environment for skilled professionals from both genders.

**1. For Egypt:**

- a. **Pre-Migration Support:** The GoE should develop a comprehensive framework for pre-migration support tailored to high-skilled migrants to mitigate challenges upon arrival and improve matching with skills in demand. Integrating training programmes on digital literacy and cross-cultural communication will better prepare migrants for job expectations in the GCC and help them integrate better into their host countries.
- b. **Strengthening Agreements:** Egypt must prioritise establishing bilateral agreements with the GCC that encompass essential protections. Agreements should prioritise benefits portability, ensuring long-term financial sustainability upon return. This can safeguard migrant welfare, promoting fair labour practices across borders.
- c. **Leveraging Networks:** A structured database and support system for migrant networks are critical to enhancing knowledge transfer, skills alignment, and reintegration upon return. Egypt should facilitate ongoing communication between skilled expatriates and domestic industries through virtual platforms, supported by consulates, to allow Egyptian professionals to bring their expertise to domestic projects remotely, turning brain drain into brain circulation.
- d. **Reintegration Programmes:** A well-structured reintegration policy for professional returnees would allow Egypt to benefit from their acquired skills and experiences. Programmes focusing on facilitating job placement, providing financial incentives, and offering support for entrepreneurial ventures could help with national development. Establishing partnerships with the private sector to absorb these talents will enhance the impact of migration on economic growth. This requires the collaboration of concerned ministries for efficient implementation.
- e. **Data Support:** Egypt must strengthen its data collection on migration trends, skills demand, and remittance flows. Evidence-based monitoring of labour market outcomes can improve alignment with host country demands, potentially addressing skill gaps through targeted training programs. Initiatives, such as "Life Saving Boats" and "Nawart Baladak," provide models for effective coordination and further efforts could support labour migration policy through data-driven decisions.

**2. For GCC Countries**

- a. **Labour Laws:** The GCC should focus on further modernising labour laws to reduce the constraints imposed by the sponsorship system. This entails introducing flexibility in employer-employee relationships, allowing greater mobility across sectors, and providing fair recruitment practices. Embracing more inclusive labour policies would align with international standards and make the region more attractive for highly skilled talent.
- b. **Raising Awareness:** To enhance the long-term retention of skilled migrants, the GCC should offer more transparent pathways to residency and eventual citizenship. Residency reforms are positive steps, but greater awareness among highly skilled migrants about these programmes, including the existing options and criteria for family reunification, would

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provide security to migrants seeking stable careers and encourage them to further contribute to the host economies.

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c. **Social Protections:** Social protections for migrant workers in the GCC remain limited and inconsistent across sectors. The GCC should extend social security benefits to all workers, including health insurance, pensions, and unemployment protection. Aligning these benefits with international standards can address workers' long-term welfare needs and support economic inclusion by providing stability to the migrant workforce.

d. **Gender-Specific Policies:** Regulatory restrictions and social biases present challenges for women in accessing high-skilled jobs within the GCC. The GCC should adopt gender-sensitive policies, including fair recruitment practices, anti-discrimination measures, and support for family migration. Addressing these barriers can enhance workforce participation among women, contributing to economic diversity and aligning with the broader labour goals.

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e. **Data-Driven Policy:** The GCC has been active in terms of data collection on migration trends and labour market demand. The GCC and the GoE should work together to make this data available to policymakers to better align policies with economic goals. Policies inspired by successful reforms could be scaled, ensuring a sustainable and inclusive workforce strategy across the GCC.

**3. Expected Economic and Developmental Outcomes in:**

**Egypt:**

Implementing these policy recommendations holds significant promise for Egypt's economic and developmental goals by fostering brain circulation and enhancing the impact of remittances. The benefits are threefold:

1. Egypt can transform potential brain drain into brain circulation by enhancing support for returnees. Policies that facilitate reintegration would contribute to advanced expertise and innovation in the domestic economy. Returnees can help bridge skill gaps, especially in high-demand sectors such as healthcare and technology, thus strengthening Egypt's human capital base.
2. Remittances from Egyptians working in the GCC are a vital source of foreign exchange and play a critical role in Egypt's economy. Effective management and reinvestment of remittances through dedicated migrant-focused investment units, such as the Egyptian Expatriates Investment Unit, can further optimise their economic impact.
3. Programmes that prepare Egyptian professionals for the GCC market while facilitating easier return pathways can curb brain drain and improve workforce readiness. Such policies can reduce the effects of talent loss on Egypt's GDP, as studies indicate that a 1 percent increase in talent migration has led to a 5.7 percent decrease in GDP historically. Strengthened ties with Egyptian communities, supported by national databases and reintegration frameworks, would enhance contributions of the professional migrants while abroad.

### For GCC Countries

Adopting policies that enhance the integration and retention of skilled Egyptian migrants aligns with the GCC's long-term economic diversification goals:

1. Highly skilled Egyptian migrants play a key role in the GCC's economic diversification, particularly in sectors like healthcare, technology, and finance. This aligns with the goals of national strategies and the transition to knowledge-based economies. For instance, the healthcare and education sectors rely significantly on skilled Egyptian workers to meet the demands of growing populations and advance quality standards.
2. Egyptian professionals have proven essential in building GCC industries and maintaining competitive standards in sectors like engineering, medicine, and education. Providing broader pathways for long-term residency would improve retention, helping the GCC maintain a stable, skilled workforce to support its ambitious economic agendas. Further reforms and awareness of residency programs are needed to address broader labour rights and mobility issues.
3. Policies that allow for permanent residency for highly skilled migrants, along with gender-sensitive provisions, would address existing barriers and contribute to the social cohesion needed for sustainable economic development. Such reforms would create an environment that encourages migrant families to settle long-term, thus stabilising and diversifying the labour market.

### Conclusion

The migration of highly skilled Egyptian professionals to the GCC countries represents a mutually beneficial yet complex dynamic. The analysis highlights the essential role of strategic, collaborative policies in enhancing migration flows that maximise socioeconomic benefits. This alignment reinforces the importance of coherent policies, enhanced social protections, and clear pathways to residency to attract and retain talent.

The current policy landscape reveals gaps and challenges that require the attention of both regions. A forward-looking, coordinated approach to skilled migration governance will help ensure a sustainable, inclusive, and equitable migration framework, contributing to regional economic growth, stability, and shared prosperity.

### Endnotes

- 1 Central Bank of Egypt (CBE) 2024: "\$ 2.7 billion remittances of Egyptians working abroad during May 2024", in: <https://www.cbe.org.eg/ar/news-publications/news/2024/07/08/11/48/remittances-from-egyptians-abroad-recorded#:~:text=2.7%2020%20شهر%20خلال%20بالخارج%20العاملين%20المصريين%20تحويلات%20دولار%20مليار%20دولار%20تحويلات%20المصريين%20العاملين%20بالخارج%20خلال%20شهر%20مايو%202024%20-%20للشهر%20الثالث%20على%20التوالي%20تصاعدت%20دولار%20خلال%20شهر%20مايو%202024%20يوليو%2008&text=202%20مايو%20شهر%20خلال%20دولار%20تصاعدت%20دولار%20خلال%20شهر%20مايو%202024%20يوليو%2008>
- 2 Shayah, Hazem, M. / Zhigang Sun 2019: Employment in the Gulf Cooperation Council (GCC) Countries – Current Issues and Future Trends, <https://doi.org/10.2991/ssphe-18.2019.94>.



- 3 CAPMAS 2024: Labor Market and Migration. Central Agency for Public Mobilisation and Statistics, <https://www.capmas.gov.eg/HomePage.aspx> [11/09/2024].

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## Imprint

Published by Konrad-Adenauer-Stiftung, 2025,  
Berlin, Federal Republic of Germany

This publication was published with financial support of  
the Federal Republic of Germany.

This policy report is part of a collaborative project with the Gulf Labour Markets, Migration and Population (GLMM) Programme of the Gulf Research Centre. It has been extracted from a chapter in our comprehensive publication, "Highly Skilled Migration to the Gulf States: How do GCC Countries Fare in the Global Competition for Talent." This report is one of several policy reports derived from individual chapters from the publication, each authored by different experts. All related policy reports are available separately on the Konrad-Adenauer-Stiftung (KAS) website [here](#).

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