







# Policy Report

# Special Issue

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

No.2

# From Laissez-Faire to A Centralised State Approach?

A Critical Policy Analysis of the UAE's Attraction and Retention Approach
Towards High-Skilled Migration in the Post-COVID-19 Era
Froilan Malit, Jr.

# **Executive Summary**

In recent decades, the United Arab Emirates (UAE) has increasingly become the largest regional destination for high-skilled migrants across the Global South. However, despite its significant policy success, the UAE continuously struggles to attract and retain high skilled migrants. Using the UAE as a single case study, I offer the following findings: firstly, the Emirati state's approach towards attracting and retaining highly skilled migration evolved from a laissez-faire to a highly centralised high-skilled migration management approach. Secondly, the Emirati state's crucial component of this centralised approach to managing high-skilled migration has been to promote long-term settlement and flexibility for the most skilled migrant populations, such as doctors and managing directors, thereby reversing the trend of long-term settlement or 'temporary' integration for migrant populations in the UAE. Thirdly, despite such successes in attracting highly skilled migrants, the Emirati state finds it difficult to retain them due to existing labour market constraints, such as wage discrimination, triggering their transit migration to other high-income Western countries. Methodologically, I employ semi-structured interviews with 30 high-skilled migrant workers from the Philippines, India, and Egypt and conduct secondary analysis of government, public policy, and newspaper publications. In terms of policy recommendations, the Emirati state should examine its domestic labour shortages across various sectors and implement an incentive model, such as a golden visa pathway, increased internal labour mobility, and affordable family reunification pathways, to equalise these privileges for high-skilled migrants. It also needs to address existing labour market discrimination, particularly wage discrimination, which continues to hinder high-skilled migrants' access to economic mobility, labour rights, and career development within the UAE labour market.

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## Introduction

Despite various regional and global polycrises (i.e., 2008 financial crisis, COVID-19 pandemic), the UAE has continued to function as a regional hub of migration globally. However, despite such socioeconomic transformations, scholars have yet to examine the Emirati state's approach towards governing highly skilled migration. Much of the existing migration scholarship has extensively analysed the plight of low-skilled migrants in the UAE, including those in domestic work, construction <sup>1</sup>, domestic work/care work <sup>2</sup>, hospitality <sup>3</sup>, and other service-related industries, highlighting the everyday exploitation of low-income migrant workers <sup>4</sup>. While an emerging literature has increasingly focused on the role of the Emirati state in managing highly skilled migration <sup>5 6 7 8</sup>, little is known about the critical junctures in the UAE (i.e. introduction of UAE's golden visa and other similar programmes) linked to the post-COVID pandemic context's attraction and retention strategies for highly skilled migrants.

This policy brief analyses the Emirati states' growing centralisation strategies in governing high-skilled migration over the past decade (2014—present), with a specific focus on the post-COVID-19 pandemic scenario. The report is structured into four key sections. The first section broadly examines the Emirati state's shift from historical laisses-faire to a centralised state approach in governing highly skilled migration dynamics. The second section outlines the research methodology, including semi-structured interviews with key informants and highly skilled migrants, desk report analysis, and field observations in the UAE private sector. The third section unpacks the diverse outcomes of this centralised governance on highly skilled migrant populations, highlighting both highly skilled migrants' coping strategies and alternative pathways in the UAE. The concluding section discusses key findings and the policy implications of the Emirati state's growing centralisation approach.

# From Laissez Faire to a Centralised Emirati State's Approach Towards High-Skilled Migration

## Laissez Faire Era (1971—2014)

Despite the absence of a formal highly skilled migration governance, the UAE historically attracted diverse highly skilled migrant workforces from Europe, North America, the Middle East, and South Asia in the fields of oil and gas, education, and management among others, following their independence in 1971. In fact, the UAE was marked by a highly racialised labour market system, largely privileging Western over non-Western populations <sup>9</sup>. Since colonial periods <sup>10 11 12</sup>. the UAE laissez-faire strategies have consistently influenced their approach towards high-skilled migration until the early 2010s. As Callen et al. lamented a decade ago, "The [UAE] and other GCC immigration system does little to attract high-skilled, high-productivity workers...The GCC framework of employer sponsorship does little to distinguish between high- and low-skilled workers and provides employers with limited flexibility to attract top talent <sup>13</sup>." Additionally, until recently the UAE did not establish any legal pathways for local naturalisation, citizenship, or permanent settlement <sup>14</sup>, which historically provided minimal or no incentives for high skilled migrants.

By the early 2000s, the UAE has strategically set ambitious economic vision plans to diversify from their hydrocarbon economies. In fact, the UAE has launched multiple vision plans at the national (Vision 2030, 'We the UAE 2031', UAE Centennial Plan 2071) and local levels (Abu Dhabi Economic Vision 2030; Dubai's Vision 2030), strategically emphasising modern economic, infrastructural, and diplomatic transformations <sup>15</sup> <sup>16</sup>. However, without sufficient human capital requirements—via the integration of highly skilled migrants—the Emirati state discovered that such regional and global ambitions would not

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be achievable. This long-term strategic realisation has not only shifted the UAE's existing "laissez-faire" model but also compelled them to centralise their highly skilled migration governance approach, introducing legal, social, and economic reforms to attract and retain highly skilled migrants.

## A Centralised State Approach (2014—present)

Between the late 2000s and mid-2010s, the UAE has increasingly centralised its approach towards highly skilled migrant populations by incorporating them within their future agendas. The UAE aggressively adopted a more flexible, internal labour mobility approach within the private sector labour market via the implementation of ministerial decrees 764, 765, and 766 in 2015, which addressed key labour and employment issues like internal job transfer. It also eliminated employers' power to withhold passports, permission prior to job transfers, no objection certificates (NOC), and exit permits. It granted full autonomy to UAE foreign residents, including highly skilled migrants, enabling them to own real estate property investments and open businesses without the need for local sponsorship from a UAE national. However, when the global outbreak of the COVID-19 pandemic erupted in 2020, the UAE quickly amended the 1972 citizenship law and, more recently, introduced the 'Golden Visa' programme for both wealthy investors and exceptionally high-skilled migrant populations (like doctors, nurses, and scientists) to achieve long-term settlement (ten years, renewable) while empowering highly skilled migrants to sponsor themselves and their families, fully elevating their internal mobility power and options within the UAE labour market. In addition, the UAE has introduced a diverse range of 'talent visas' to attract highly skilled migrant workers, including the Green Visa, freelance visas for highly skilled migrant populations, the 'Job Seeker Visa,' and the 'digital nomad visa' (known as a remote worker visa or allowing highly skilled migrants or entrepreneurs to work remotely), thus enabling them to have greater autonomy and flexibility working with multiple clients in the UAE labour market.

The UAE government also introduced other "soft" domestic reforms to retain highly skilled migrants in the country. It permitted non-nationals <sup>17</sup>, including highly skilled migrants, to own properties in various locations within the country, while decriminalising via Federal Law No. 41 (UAE Personal Status Law) conjugal partnerships and permitting unmarried couples to cohabitate, despite decades-long opposition from various social factions in the country <sup>18</sup>. The law also afforded more legal equality and protection to non-Muslim expats in the UAE, particularly in the areas of civil marriage, divorce, child custody, and inheritance. The UAE government has also approved the inclusion of more ethnic and international schools, allowing the children of highly skilled migrants to access cheap or global education across various levels in the country. As a result, highly skilled migrants have also increasingly become attracted to the UAE, given the shift toward the liberalising nature of a modern, tolerant UAE society <sup>19</sup>.

# **Data on High Skilled Migrants in the UAE**

The MOHRE defines highly skilled migrants as managers, professionals, technicians, and associate professionals <sup>20</sup>. Figure 1 indicates that highly skilled migrants consistently increased in the UAE labour force even before or after the COVID-19 pandemic crisis, representing 19 percent of the UAE labour force population in 2019 prior to the COVID-19 pandemic. However, the share of highly skilled migrants increased to 22.6 percent in 2022, signalling an influx of highly skilled migrant populations, despite the recurring impact of the COVID-19 pandemic virus. Highly skilled migrant categories in 2022 comprised of professionals (43.64 percent) significantly outnumbered both technicians and associate professionals (32.88 percent) and managers (23.64 percent).



Figure 1: Highly Skilled Migrant Populations in the UAE by Category of Professions (2011-2022)

Source: GLMM (2024) (\*Data was not reported in 2020)

In terms of the nationality breakdown, there is no official publicly known data available provided by the UAE MOHRE. Thus, in studying three highly skilled migrant groups, I rely on public estimates for the share of highly skilled migrant populations existing. However, these statistical figures need to be further triangulated and used with caution, given the competing estimates from various government and international organisations. The Indian Embassy in the UAE estimated that 15 percent of India's 3.5 million population are considered highly skilled professionals and businessmen <sup>21</sup>. Of the nearly one million Filipino migrants in the UAE, at least 35 percent are considered highly skilled migrants, employed in various professions in the UAE private sector, including nursing, medicine, accounting, architecture, and engineering. While Egypt's highly skilled migrants have historically been part of the evolving UAE private and public sectors (i.e., nurses, teachers, doctors etc), no state official data has been published related to the total share of the skilled workforce vis a vis the total Egyptian migrant population in the UAE <sup>22</sup>. Existing estimates suggest that there are at least 400,000 Egyptians living and working across various high, semi, and low-skilled professions in the UAE public and private sectors <sup>23</sup>.

# Impacts of Centralised State Policy on High-Skilled Migration

Given its centralisation approach, the UAE has relatively maintained both regional and global competitiveness for attracting highly skilled migrant populations due to its exceptional 'life and opportunities,' economic stability, income tax exemptions, political security, unemployment protection, and end-of-service benefits <sup>24</sup>. In fact, despite Saudi Arabia's expansive incentives, many UAE-based multinational companies still conveyed strong preference for remaining in the UAE due to its global cosmopolitan image and flexible labour market structure, specifically the flexible visa option.

A GulfTalent's survey of 4,000 professionals and 1,000 managers based in the six GCC countries found that while 82 percent work in official spaces, 18 percent work remote, (the UAE leads in remote and hybrid work adoption, which is available to 21 percent of working professionals in comparison to other GCC states averaging below 14 percent) <sup>25</sup>. This private sector flexibility has therefore made the UAE a competitive, attractive destination for highly skilled migrants.

The UAE, specifically Dubai, has also succeeded both in attracting highly skilled migrants and encouraging entrepreneurship: 87 percent of UAE entrepreneurs are migrant workers <sup>26</sup>, encouraged by investment and merit-based golden visas. As one Filipino nurse, Karla, turned into an entrepreneur, "I don't need to move to the West. Golden visa gives me time to plan and invest for my family and myself. I can work at the hospital and maintain my business, while not thinking about renewing my residency every two years. The golden visa is a good sign that UAE is changing, and we are part of the community."<sup>27</sup> Other highly skilled migrants have conveyed strong preferences for staying in the UAE due to its modern social infrastructure. As one Egyptian highly skilled migrant, Ahmed, highlights: "When I got married, I brought my family here and raised two children. There are good international schools here, and we have access to good spaces, like parks, good hospitals, good restaurants, educational facilities, and multicultural communities, exposing our children to globalisation. We can also travel easily to Egypt to see our family and have a vacation in other facilities"<sup>28</sup>. Ultimately, the complementary influence of long-term settlement options, combined with modern socio-urban infrastructures, has affected highly skilled migrants' decision to stay in the UAE.

High-skilled migrants, specifically second and third generations have also felt integrated in the country. With the Golden Visa, high-skilled migrants and their children have such long-term settlement pathways, eliminating the power of the kafala and allowing them to change employers without private sector bans. Ahmed added: "The power of the Golden Visas is the ability to change employers anytime, without any repercussions. We could not do that before; employers save recruitment costs and we become preferred than other candidates, assuming that we have similar options." However, many highly skilled migrants reported that they feel discriminated based on their nationality. As a Filipino nurse, Mitch, who now lives in London as a registered nurse, highlights: "I worked in the UAE for seven years, and there was no career path for me. I work as a regular nurse, but there is no option for me to go up in the ladder. The wage is also stagnant, and Westerners tend to get paid higher even though they have less experience." Similarly, another Indian highly skilled migrant doctor, Ganesh, in Dubai said "there is no pathway for citizenship for me here, and I plan to migrate to Canada or [the] UK soon because I need the right passport to compete globally and give a better life for my family" As a result of these discriminatory labour market dynamics and legal constraints, many highly skilled migrants opt for transit migration as an alternative pathway, thus threatening the retention ambitions of the UAE 32 33.

# **Conclusion**

The UAE is facing a critical crossroads in developing complex migration governance approaches toward highly skilled migrant populations. This report analysed the Emirati state's strategies and highlighted the following key findings: firstly, the UAE has increasingly shifted from a laissez-faire to a centralised approach towards governing highly skilled migrant populations. While reforms successfully attracted high-skilled migrant populations, the benefits of 'soft infrastructure' (such as public infrastructure and access to education) have relatively played a stronger role in retaining them. Secondly, due to existing labour market discrimination (i.e., wages between nationalities), the Emirati state finds it difficult to retain high-skilled migrants who often use the UAE as a 'transit' state for future migration to the West, thereby posing critical long-term developmental capacity issues. As regional and global competitions for skilled migration intensify, the UAE is likely to further liberalise its domestic economic, legal, and social policies to accommodate the complex needs of highly skilled migrant populations. However, future research agendas should critically examine various labour and employment issues faced by highly skilled migrants, like wage inequality, discrimination, citizenship, and others to bolster their attraction and retention outcomes.

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## **Contact**

Philipp Dienstbier
Director
Regional Programme Gulf States
European and International Cooperation
philipp.dienstbier@kas.de

# **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 <a href="here">here</a>.

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