

# IMMIGRATION VS. POPULATION IN THE GULF

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## INTRODUCTION

“Capital-rich and labour-poor”. This is how the curse of the Gulf States was described fifty years ago. The world’s largest oil stocks had just been discovered under the earth’s most arid and depopulated region. With oil internationally recognised as the property of the state and not of the company that did the pumping, the scarcely populated states of the Gulf acquired enormous wealth. From the largest and oldest (Saudi Arabia) to the tiniest and youngest (Qatar), all six Gulf states soon faced income surpluses with population shortages, to which they all responded by importing labour. In just five decades, the Gulf, which for centuries had received only small population flows, became the world’s third largest receiver of global migrants after the United States and the European Union. The way in which these nascent nations would incorporate massive numbers of newcomers into the workplace but not into their societies is a unique feature of the Gulf.

When strong oil economies emerged in the Gulf in the 1960s, Pan-Arabism was still at its height. Migration from South Arabia, the Levant and the Nile Valley to the Gulf was seen by many in the region as a strategic move towards a strong integrated Arab Nation. Arab labour mobility would bring the human wealth of the Arab world together with its financial wealth, and a powerful nation would be born. This ideology was reinforced by the 1973 Suez Canal War, when OAPEC (the Organization of Arab Petroleum Exporting Countries) proclaimed an oil embargo on Israel’s allies and oil prices quadrupled. Oil income, and

with it the demand for migrant labour, soared in the Gulf. This is when the reality and rhetoric started to part company, as Asians gradually came to outnumber Arabs in the Gulf labour markets.<sup>1</sup>

The 1990-91 Gulf war following the Iraqi invasion of Kuwait was to finish off the pan-Arab myth. Three million Arab migrants were deported from the Arab states where they were employed for the simple reason that they were born with the wrong citizenship: Egyptians from Iraq, as Egypt was part of the coalition against Iraq; Palestinians from Kuwait; and Yemenis from Saudi Arabia, because the Palestine Liberation Organisation and the Yemeni government were supporting Iraq. Since then, Arab migration, which was the preferred topic of Arab social scientists and conferences in the region in the 1980s, has disappeared from the academic world. Migrants soon returned to the Gulf, and because the vast majority were excluded from host citizenship non-citizens came to form most of the workforce (from 50 to 90% according to the state) and in some cases most of the total population (from 36 to 80%).

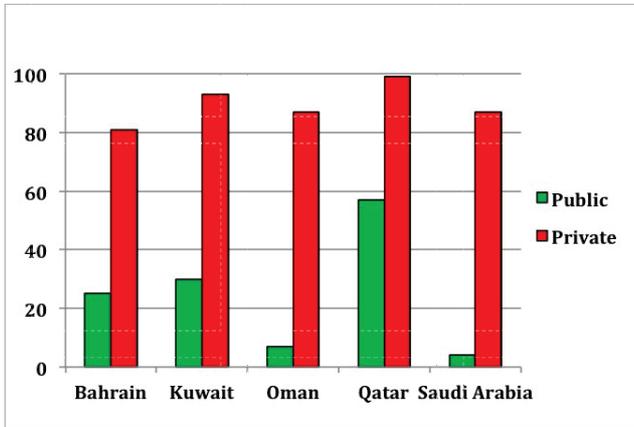
## OPEN LABOUR MARKETS, CLOSED SOCIETIES

The Gulf States share a paradox: non-nationals are key actors in their nation-building processes. Without them, the Gulf States would not be what they are today, neither economically nor politically. First, migrants have always been and still are instrumental in building these states. Endowed with large surpluses of financial capital but faced with acute deficits of human capital, the Gulf economies resorted to massive labour importation. As Figure 1 shows, the entire private sector – where most service and good production

1 A. Kapiszewski, Arab Versus Asian Migrant Workers in the GCC Countries, United Nations Expert Group Meeting on International Migration and Development in the Arab Region, Beirut (15-17 May 2006)

is concentrated – would simply collapse without foreign workers. After all, they represent between 80% (Bahrain) and 99% (Qatar) of the labour force. Nationals are only employed in the public sector, mostly in administrative positions.

**Fig.1 Percentage of Foreign-Nationals Employed by Sector (2013)**



Source: *Gulf Labour Markets and Migration*, <http://gulfmigration.eu/>

In brief, migration was indispensable in transforming financial assets into infrastructure for the construction of sustainable post-oil economies; and into well-being for nationals. It made it possible to provide Gulf nationals with high standards of living, while at the same time allowing them the world's lowest level of economic participation. By turning oil income into no-taxation welfare states, migration brought legitimacy to Gulf rulers and political stability to their regimes.

Second, migrants are not offered opportunities to become members of the Gulf host societies. They are all guest workers, sometimes, in the case of high ranking workers, accompanied by family dependents. Their stay can only be temporary by law and with few exceptions they cannot be granted citizenship in their host country. Moreover, all three-D jobs (dangerous, dirty, and demeaning) are carried out by migrants. This means that there is no national working class that might claim a right to protest. If labour conflicts

happen to break out they are usually solved by returning the protesters to their country of origin; or the protestors are simply silenced. For example, in April 2015 a migrant construction worker fell to his death from a building in Ras-Al-Khaimah. His Asian fellow-workers protested and cars were set on fire. Social media outlets were urged not to give publicity to the incident as baseless claims could destabilise society.

To use a phrase I have employed elsewhere 'dual societies' have emerged in the Gulf, with separate worlds for nationals and non-nationals.<sup>2</sup> Economically, as we have seen, the nationals have the world's lowest rate of economic activity and are concentrated solely in the public sector, while non-nationals have one of the world's highest rates of activity and take on all the jobs in the private sector. Legally, the 'kafâla' (sponsorship) system creates a barrier as every foreign-national is obliged to have a national 'kafeel' (sponsor), who levies part of the migrant worker's income. Moreover, *jus sanguinis* confines sons and daughters of migrants born in the Gulf to their parents' non-national status with no door into citizenship through naturalisation, which is restricted to exceptional case.<sup>3</sup> As non-citizens, migrants and their families are excluded from all the economic, social and political rights and benefits reserved for citizens. Socially, interaction is also extremely limited between the two.

Dual societies produce differentiated demographic patterns. The population of nationals/citizens grows solely through natural increase (determined by birth and death rates). The population of non-nationals/non-citizens grows as a result of two additive processes: the balance between new immigration and return migration, and

2 P. Fargues, *Réserves de main-d'oeuvre et rente pétrolière. Les migrations de travail vers les pays du Golfe* (1980)

3 G. Parolin, *Citizenship in the Arab World: Kin, Religion and the Nation State* (2009)

natural increase. Despite migration being only temporary according to the law, *de facto* many migrants have settled in the Gulf, resulting in a continuously rising proportion of non-national births. As a result, non-nationals have an overall rate of population growth consistently higher than nationals.

## ADDRESSING THE GCC DEMOGRAPHIC CHALLENGE

The governments of the Gulf States see demography as a challenge. With the exception of Saudi Arabia, the Gulf populations are small in both absolute and relative terms (Table 1). Taking only nationals into account, Saudi Arabia's population ranks 58<sup>th</sup> in the world and the other Gulf States between 145<sup>th</sup> (Oman) and 187<sup>th</sup> (Qatar). With 25 million nationals in total (2010), the aggregate population of the Gulf Cooperation Council (GCC) would rank 45<sup>th</sup>. This is little compared with the GCC's neighbours, particularly Iran, and the source countries of the migrants. India's population is fifty times that of the aggregate GCC states. GCC demography is also unimpressive in terms of its economic potential, a fact which explains the high rates of international migration and the fear of being overwhelmed by immigrants.

Designed as a response to demographic scarcity, international migration produces ambivalent outcomes. On the one hand, it compensates for local labour shortages, both in terms of quantity and quality: the workforce and skills that are not available at home must be found in the global labour market. On the other hand, international migration affects the ratio of non-nationals to nationals in the resident population. This ratio stands at between 32% in Saudi Arabia (SA) and 89% in the United Arab Emirates (UAE). In terms of the labour force, meanwhile, the proportion is between 51% (KSA) and 95% (UAE, Qatar). If the ratio of non-nationals to nationals is considered too high, then governments need to work at either increasing the denominator or decreasing the numerator.

**Table 1: National populations of GCC States**

Country	Millions
Bahrain 2010	0.6
Kuwait 2013	1.2
Oman 2013	2.2
Qatar 2010	0.2
Saudi Arabia 2013	20.3
UAE 2010	1.0
<b>Total GCC</b>	<b>25.4</b>

Source: GCC's National statistical offices

**Table 2: Populations of selected GCC neighbours and partners (2013)**

Country	Millions
<b>Geographic neighbours</b>	
Iran	75.1
Iraq	31.5
Yemen	24.3
<b>Source countries of migrants</b>	
India	1,251.7
Pakistan	182.1
Bangladesh	156.7
Philippines	98.5
Egypt	82.1

Source: UN Population database <http://esa.un.org/unpd/wpp/>

The first way (increasing the denominator) consists of stimulating the natural demographic growth of nationals. This is the objective of the pro-birth-rate policies adopted throughout the Gulf States, which are only attenuated in the case of Oman by a strong programme of family planning aimed at promoting women's reproductive health.<sup>4</sup>

<sup>4</sup> Jihan Safar, *Mariage et procréation à Oman et au Koweït : étude des mutations générationnelles dans le contexte d'Etats rentiers* (2015)

The pro-natalist policies adopted in the Gulf are unique in terms of the public money spent on subsidising marriage, procreation and the rearing of children. Moreover, the availability of (migrant) domestic workers – which in other contexts would free women for economic activity outside the household – in the Gulf lightens the burden of child rearing.

The family policies combined with open-door policies regarding the immigration of domestic workers result in the cancellation of high fertility costs at the household level. Indeed, fertility among GCC nationals is still high in comparison with all the other parts of the world at the same level of *per capita* income. Nevertheless, it has declined in recent years as a result of other Gulf State policies designed to enhance the status of women, in particular in terms of education. Female enrolment rates at secondary school and university are high today in all these states, with girls typically attending school for more years than boys. In the Gulf as elsewhere, the universal mechanism is triggered of more educated women leading to lower fertility rates.

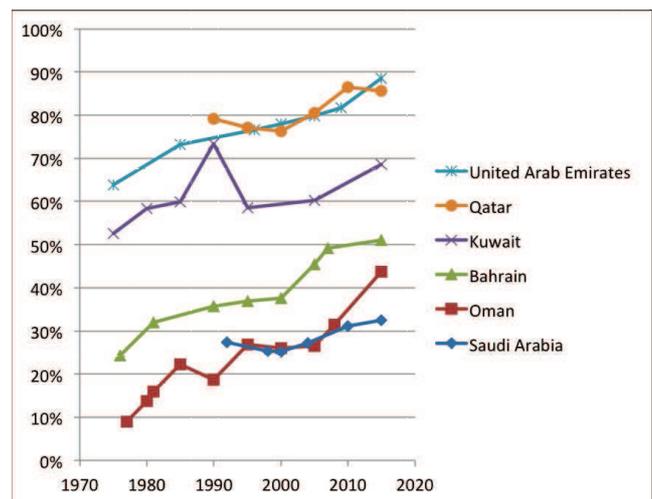
In addition, one wonders whether pro-natalist policies can actually address the challenge of small national populations in the Gulf. Indeed, the high birth rates do not respond to the needs of the labour markets as it takes 20 to 25 years to produce a worker from a new-born baby. Moreover, in the segmented societies of the Gulf where nationals often stand in the upper ranks, a high fertility rate of the nationals will reproduce the elite rather than create a working class (which is what these countries most need).

The second way to reduce the non-nationals/nationals ratio is to decrease the numerator and set the objective of a smaller number of non-nationals. For example, in March 2013 the Kuwaiti government proclaimed that its goal was to reduce its population of migrants by one million in ten

years. Two complementary policies are being pursued in all the GCC States. A first kind of policy aims at indigenising the workforce ('Gulfization') in the private sector by 1) creating incentives for the employment of nationals; and 2) penalising the employment of non-nationals. Inaugurated 25 years ago, these policies have failed – as can be seen from Figure 2. There are many reasons for this, including the fact that Gulfization policies are not popular among employers (who will have to pay higher wages to nationals) and they do not meet the interests of all citizens (some of whom can earn an income from sponsoring numerous non-nationals).

A second sort of policy is intended to limit the stay of migrant workers and not permit them to establish themselves permanently. Residence permits are only temporary, but in the Gulf, as elsewhere, a temporary stay may be repeated and may turn into a long-term one. The lasting settlement of many migrants is demonstrated by the emergence of sizeable numbers of 'second-generation' migrants who were born and have grown up in the Gulf.

**Figure 2: Percentage of foreign nationals in GCC populations 1975-2015**



Source: *Gulf Labour Markets and Migration*, <http://gulfmigration.eu/>

The end result of the failure of both types of policy – replacing migrants with nationals at the workplace and only allowing temporary migration – is a continuous increase in the proportion of non-nationals in the (aggregate GCC) population from 36.6% in 1990 to 42.7% in 2010 and to 49.4% in 2015.

An alternative way to reduce the non-nationals/nationals ratio would have been to transfer people from the numerator to the denominator by granting citizenship to significant numbers of non-citizens. Naturalising foreign nationals and opening channels to nationality for second-generation migrants by introducing some *jus soli* into the nationality law would both reduce the numerator (fewer foreigners) and increase the denominator (more nationals). The demography of the GCC States would start to resemble that of Canada, Australia, Singapore and other large migrant-receiving countries, where high rates of immigration do not translate into high growth rates of the foreign population.

So far, naturalisation has not been implemented anywhere in the GCC on a significant scale. The only exception is Bahrain, where a grant of nationality to many migrants in the early 2010s was a piece of demographic engineering aimed at balancing the Shia and Sunni Muslim communities.<sup>5</sup> Elsewhere, major migrant destination countries have developed policies of migrant inclusion and integration. They have opened doors to the acquisition of nationality, thereby creating new citizens out of former foreign nationals and enlarging the demographic base of their national populations. However, the GCC countries have never travelled down that road. On the contrary, they have kept to a strict line of not naturalising migrants. Having failed to replace migrant workers with nationals, their

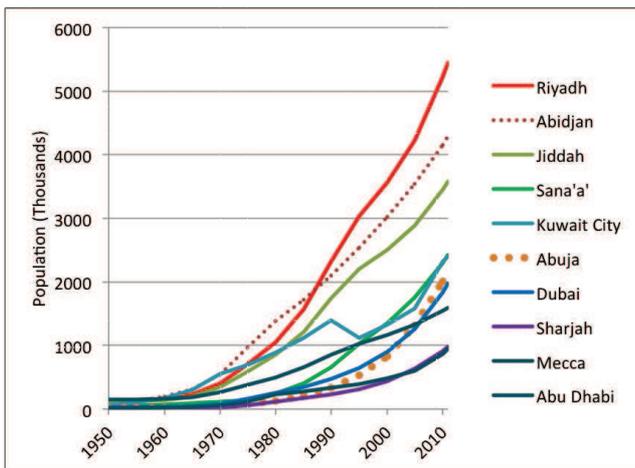
policies have resulted in a narrowing of the relative demographic base of their nationals.

It might seem only common sense to state that the GCC countries uniquely combine intense immigration with small native populations, and that this means foreign majorities. However, this is not as automatic as it would seem. In terms of the flows of migrants they have received with respect to their native populations, Saudi Arabia and Oman can be compared with Canada or Australia in their period of highest immigration. In the case of the emirates (Bahrain, Kuwait, Qatar and each of the seven emirates of the UAE), which are often seen as city states, it is interesting to see how much they resemble other cities in the global south in terms of population growth (Figure 2). Given space restrictions, only two cities, Abidjan and Abuja (the African capitals coming first in alphabetical order), are shown in Figure 2, but this is sufficient to affirm that far from being unique, Gulf cities are representative of a common process of urbanization in emerging economies and developing countries. It is also typical that urban settings are built by migrant workers. However, unlike the large cities of the south and immigration states, the migrants in the Gulf are not part of the nations they have helped to build. Nation-building has been done by exclusion rather than by inclusion of the migrants.<sup>6</sup>

5 F. De Bel-Air, *Demography, Migration, and the Labour Market in Bahrain*, Gulf Labour Markets and Migration (2015)

6 P. Fargues, "Immigration Without Inclusion: Non-Nationals in Nation-Building in the Gulf States," *Asian and Pacific Migration Journal* 20 (2011): 281-282.

**Fig. 2: Demographic Growth of Major Gulf Cities and Selected Non-Gulf Cities 1950-2011**



Source: United Nations, Population Division, *World Urbanization Prospects, 2014 Revision*, <http://esa.un.org/unpd/wup/FinalReport/>

The official discourse legitimising the non-naturalisation line holds that integrating migrants and granting them nationality would endanger the culture and welfare system of the nation: the culture by bringing alien values, and welfare by increasing the number of those entitled to benefits. The common argument is that the policy of protecting citizens by closing off citizenship to foreign nationals is dictated by the demographic uniqueness of the GCC states, i.e. small national populations faced with large numbers of migrants. However, as suggested above, the relationship between demography and policies has worked the other way around. The demographic uniqueness of the Gulf States is a product of their policies. The question is: to what extent are these policies sustainable?

## CONCLUSION

Non-nationals or non-citizens form demographic majorities in the workforces of the Gulf States and in the total populations of four of them. Many come alone on short-term contracts, after which they normally return home. Others have their

contracts renewed again and again and they settle. They do not cut their links with their homelands – where the governments are keen to engage with their diaspora in several ways, from attracting their savings to attracting their ballots – but most of their lives are spent in the Gulf. They are non-citizens for a lifetime and their rights are severely limited in the place where they live. Will this situation change?

Internal moves from within the Gulf States are possible. Debates amongst Gulf citizens have started on the subject of amending (if not abolishing) the *kafâla* system.<sup>7</sup> Nevertheless, there has been no strong voice on the most sensitive issue, that of naturalising migrants (or some of them). In a context where the voices of migrants themselves are silenced, it seems unlikely that the duality of the Gulf societies will evolve as a result of internal forces.

Can external forces cause a change? The migrant origin states increasingly engage in supporting their expatriate nationals, although their level of engagement greatly varies from one state to another. They work to make migration financially profitable for the migrant and for his or her country of origin, and increasingly also protect their workers abroad from exploitation and abuse. However, the states of origin would not support their citizens' efforts to obtain full membership – and eventually citizenship – in other states (the destination countries of their migrants). The game is instead being played outside the region. With the rise of a global civil society, the international community is keeping a watchful eye on migrants in terms of human and labour rights. Its means of efficiently defending the people involved are still limited, particularly in countries where human and migrant rights organisations are not represented. But their loud voice in international *fora* and on the web must be heard everywhere.

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7 M. Dito, "Labor Migration in the GCC Countries: Some Reflections on a Chronic Dilemma," *Middle East Institute* (2010)

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