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Labor and Migration in the Middle East

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## Introduction

The global labor market is in constant flux prompting massive legal and illegal movements of labor across the world. Declining birthrates in industrialized countries is forcing more reliance on labor from developing countries. This demand is easily met by an over supply of labor and few employment opportunities in the developing world.

The Middle East is somewhat a special case of labor activity. Populations of the Arab Middle East are by and large poor and with the exception of a few sparsely populated countries in the Arabian Peninsula and North Africa the majority of the area is poor, overpopulated, and a major supplier of labor to Europe, and the wealthy countries of the region. Only seven percent of the Arabs are relatively wealthy and live comfortably. The absolute majority is in desperate straits and hence many resort to immigration to improve the quality of their lives.

Currently Saudi Arabia, Kuwait, Oman, and the United Arab Emirates in the Middle East, and Libya in North Africa serve as the major destinations for millions of migrant workers. The majority of these employees come from Asia and Africa but a small bloc also hails from Europe and the United States. Oil booms followed by ambitious development plans fueled by a desire for rapid modernization necessitated the importation of labor to these sparsely populated countries.

Within the last 30 years the number of expatriates in those countries has ballooned. Today Kuwaitis make up no more than one million of Kuwait's 3.5 million inhabitants and even more startling, four-fifths of the UAE's population is foreign. Of a total population of 5.6 million 870,000 Emirati citizens are a mere 15.6%. One third of Oman's population is foreign. Saudi Arabia's foreign labor force is eight million approximately one third of the population. Saudi Arabia began importing labor in 1937 to work in the newly discovered oil fields but those numbers were very small in comparison to the human floods that accompanied the 1973 oil price boom and continues today.

The other country with large migrant populations is Libya. The North African country of 5.5 million has emerged as a major African transit point for illegal immigration to Europe. There are no reliable official Libyan government statistics on legal and illegal immigration but according to a 2008 European Union Study on Illegal Immigration in Libya, the country has 660,000 legal foreign workers and between 750,000 and 1,200,000 illegal immigrants. A CIA study puts that figure at 880,000 illegal immigrants. Additionally, and by all indications the annual increase in illegal immigration is between 75,000 and 100,000 individuals.

Other labor importers in the Middle East are Qatar and Israel. The former has 1.5 million inhabitants. Of these 1,125,000 is foreign. 90% of the labor force is made up of foreign workers from South and Southeast Asia, Egypt, Palestine, Jordan, Lebanon, Yemen and Iran, as well as small American and European communities.

Israel also has a sizeable foreign labor force approximating 240,000. The Israeli government began in 1993 to import labor from around the world to reduce reliance on Palestinian labor and any upheavals that might arise from that dependence. Today, foreign labor makes-up approximately 10% of the Israel's workforce.

### Sponsorship System

Importation of labor in the Middle East is based on a sponsorship system. As a rule foreigners may not come or be brought to those countries without prior approval from the countries Ministries of Labor. This means that all foreigners entering the country must enter it legally and for a non-resident seeking work this necessitates a work visa based on a contract with a native employer or an employer authorized by the government to conduct business activity in the country. An employer seeking labor usually applies for a labor visa from the state and pays for transportation of employees from countries of origin.

Theoretically sponsors are responsible for the welfare and activities of all workers they import. Indeed upon approval of the work visa by the individual state, a sponsor must deposit with the state a substantial sum of money per worker which they can retrieve only after the employee leaves the country. That sum differs from one country to another but it does insure the importer's responsibility for the workers they import.

Additionally, the sponsor is responsible for the lodging and health of their workforce as well as their transportation to and from work. Also depending on the duration of the contract, an employer is mandated to pay the employee a percentage of their salary as severance pay after five years of work. But, most importantly, sponsors are responsible to the state for any illegal activity their workers undertake. They are also responsible for informing their state's Ministry of Labor of any change in the work status of an individual employee, terminations of contracts, or a transfer of contracts to another individual or entity. The sponsors are responsible for their employees from the moment they arrive until they leave.

Cases emerge when contracts expire or are terminated and the employees go into hiding when faced with the prospect of returning to their countries of origin. A sponsor continues to be held accountable until the Ministry of labor is informed and the cost of the return airfare is deposited to send the illegal employee back to their countries of origin when they are found.

Israel is the exception because the state provides renewable one-year contracts to its imported labor. And due to an extremely tight security system the country has no illegal immigrants to speak of. Indeed the only illegal labor force is made up of Palestinians who were not given work permits but continue to be hired by Israelis seeking cheap labor in construction, agriculture, or other industries.

### Illegal Immigration

All Arab labor importers are currently dealing with the problem of illegal immigrants but each has this problem due to particular criteria and hence each is dealing with it differently. Libya's Colonel Qathafi's regime for example claims that the sheer size of the country makes it difficult to monitor all the borders and hence as a result the country has emerged as one of two important African transit points for illegal African migration to Europe. On the other hand, the Qathafi regime is not democratic and neither Libyans nor illegal immigrants have many rights. Indeed, Colonel Qathafi has on more than one occasion rounded up illegal immigrants and dropped them off by the thousands across Libya's southern borders of Chad and Niger. However, he has discovered that the issue of illegal immigration has opened for him many doors in Europe, particularly in Italy. To deal with this issue he demanded a special security relationship to include European financial and military support for his regime.

The issue of illegal immigration in Libya is to a large extent a government created problem. For thirty-five years the Libyan government conducted all economic activity. All Libyans were government employees and were prohibited from engaging in commercial activities, which included employing labor in any capacity including domestic help. The government of Colonel Qathafi was the sole importer and employer of foreign labor. The dictatorship has loosened the grip but it continues to prohibit the private legal importation of labor thereby creating job opportunities for the hordes of illegals descending on Libya from Africa.

Saudi Arabia faces a different problem with illegal immigration. A large number of the illegal immigrants in Saudi Arabia are workers whose contracts have expired and are not willing to return to their countries of origin. In addition to the natural increases that occur in this group the Saudis face a much larger problem. Unfortunately, they are obliged to provide millions of visas annually to Muslims seeking to perform pilgrimage. Invariably thousand of pilgrims from Asia and Africa for a variety of reasons over stay their visas and swell the ranks of illegal immigrants.

The United Arab Emirates, Kuwait, Qatar, and Oman also have illegal immigrants that result from terminated work contracts. What makes this problem more acute is the multi-tiered labor markets in those countries. In the UAE and Kuwait in particular illegal immigrants are employing other illegal immigrants. Theoretically, sponsors and employers should be either citizens or foreign investors operating legally in those countries. However, the reality is quite different because what is evident is that many of the mid-level employees at the \$1200-\$3000 per month salary range are also employing domestic help and such support. The major source of that support comes from the vast pool of cheap illegal labor. Additionally, what is also more evident is that even workers at the \$400-\$800 range brought to run stores and other business enterprises are also in turn making use of the same labor pool.

The number of illegal immigrants varies by state. Kuwait for example has at least 12,000 illegal residents who are estimated to be increasing at 5,000 annually. The majority of these are from Bangladesh and other Asian countries. In the United Arab Emirates the number of illegal immigrants has mushroomed to an estimated 500,000. In 2008, 341,958 took advantage of a government amnesty that offered to adjust the status of some and send some home without imposing penalties or fines. 95,000 illegal workers legalized their status and approximately 175,000 left the country. The remaining 72,333 have received their exit-passes but still remaining the country. These have until the end of the Amnesty to settle their accounts and leave. UAE authorities have promised an intensive pursuit for these who once caught will face heavy fines, and spend three years in prison before being deported without the possibility of return. The country hopes to be illegal immigrants free by the end of 2009.

Saudi Arabia faces a far more difficult prospect. Not only is half of the indigenous workforce which is made up by women is somewhat paralyzed because few women work outside the home but only 15% of the foreign workforce is professional and is thus employed in the industrial and educational sectors. The absolute majority is employed in domestic sector as nannies, gardeners, constructions workers and a host of other

service sector areas. More important, many of workers in this sector are illiterate or semi-illiterate in their own languages.

In 2008 the Saudi government shifted the responsibility for foreign labor from the Ministry of Interior to the Ministry of Labor. The latter has embarked on a Saudization plan to replace foreign workers with Saudis, but that is not proving to be very successful. Saudis are not predisposed to work in the service sector and prefer desk jobs as government employees or in business endeavors. The result is a bloated government sector that continues to import labor to fill vital needs in the economy. There are no real figures but it would not be surprising to find that when measured accurately close to 75% of the Saudi labor force is not engaged in any productive activity.

The Saudi government is instituting plans similar to the ones in the UAE and Kuwait and other labor importers of the region which holds sponsoring individuals and firms responsible for their imported labor as well as requiring imported labor to possess vocational skills or educational capabilities unavailable or lacking in the host country. However, until the Saudi government finds a way to deal with the remnants of annual pilgrims the country will continue to face the problem of illegal labor and will have to resort to Amnesties and in many instances coercive measures to stem the tide.

### Legal and Social Concerns

In many instances it has become very difficult in such places as the UAE, to find a restaurant, café, hotel, or a place of business where services can be ordered in Arabic. With so many non-Arabic speaking foreign workers living in those countries English, Hindi and Urdu have become the prevalent languages. Indeed, many locals have become proficient in Urdu or Hindi to get their work done. The only exceptions are Middle Eastern restaurants run by Arab expatriates where Arabic dialects continue to be used. To make matters worse, many local children grow up speaking the languages of their nannies rather than the Arabic language. With many households sometimes employing four or five individuals a host of languages and cultures coexist under the

same roof. This is creating a host of difficult social dilemmas and problems for these societies.

Governments of the region are just beginning to realize the seriousness of this issue and are asking locals to take a more active role in the raising of their children in addition to turning to the Arab speaking countries for nannies. Unfortunately, countries such as Algeria, Tunis, and Morocco speak an Arab dialect that is difficult to understand in the Levant and the Gulf and although labor from that area tends to move to Europe rather than the Arab world the trend is slowly changing. The biggest exporter of Arab labor to the Arab Gulf continues to be Egypt.

Arabs locals and foreign labor are a minority when compared to the number of Indians, Pakistanis, Filipinos, Indonesians, Bengalis, and Iranians residing in those societies. This is the result of a deliberate policy by the conservative Arab regimes of the Gulf. With the oil boom and the need for foreign labor a fear set in the minds of these leader of the potential political, social, and ideological impact of a politically aware Arab foreign labor might have on their populations. They assumed that labor imported from the Indian sub-Continent, did not speak Arabic, was more docile, had less to do with Arab politics, was on a tight contract, and could be prevented from establishing roots in their midst. Furthermore, it is much easier for the locals to intermarry with other Arabs than with non-Arab. Hence, they deduced that the latter would have negligible political or social impact on their populations.

The Saudis went to extremes to isolate, when possible foreign labor from the rest of the population by locating them in special camps away from population centers. Others didn't follow suit and permitted for the intermingling. However, government contracts for foreign labor demonstrated wide differences in remuneration and benefits. All the contracts are tiered depending on what area of the world workers come from. The highest paid contract and the best benefits are reserved for individuals with American citizenships, followed by European citizenships. Asians occupy the low point in the ladder and are preceded by individuals holding Arab citizenships.

Today, there is a noticeable shift in the pendulum towards employing Arab labor as a counterbalance to individuals from the Asia. However this is being done through labor agreements between governments. A number of Gulf States as well as Libya signed in 2008 a number of agreements with the Egyptian government to import Egyptian labor for various projects in those countries.

Under normal circumstances security would be a nightmare for any regime experiencing such a huge number of foreign immigrants. However, these regimes have been very effective at maintain security. Perhaps the most important factor insulating these societies from instability is their unwillingness to naturalize at will. It takes a long time and a great deal of effort to become a citizen of any of these countries. More important none of these regimes is willing to compromise on the issue of security. They are not willing to naturalize everyone for if they do they will cease to exist in their present forms.

Kuwait imported more Palestinians than any other nationality. Indeed prior to the invasion of Kuwait by Saddam in 1991 nearly one million Palestinians lived in Kuwait. Over half of these paid a heavy price in deportation as a result of the PLO's support of Saddam's invasion. And of those remaining very few have been granted Kuwaiti citizenship. Throughout the region many expatriates' children know nothing about their countries of origin, yet are not eligible for naturalization in the countries they grow up in.

There is little racism exhibited towards foreign workers in these countries but there are sensitivities that result from being overwhelmed. People in those societies are sensitive to the fact that they are unable to maintain the quality of life they currently enjoy without the services of foreign labor, yet they are also aware that there society is rapidly changing in ways they disapprove of. For example crime in its many forms including prostitution has increased with the increase in the number of illegal workers. Divorce rates have shot up as more and more locals marry and divorce from their guests. Their cultures and societies are under attack from a number of directions and they cannot see a short-run outcome that bodes well for them.

## Lessons From The Arab Experience

What can other societies facing a similar onslaught learn from the Arab experience with immigration? There are many answers but perhaps the first is a need for immigrant labor.

Economically well off societies experiencing a declining birth rate and labor shortages need immigrant labor to fill the gaps and as these societies become wealthier their need for immigrant and preferably cheap labor increases. This need is determined by the market, which cares little whether labor is legal or illegal. Indeed in most instances cheap is preferable to expensive labor.

Second, in spite of the huge number of immigrants in the Arab countries of the Gulf the percentage of illegal immigrants is relatively small. The regimes have little tolerance for law breaking and do provide amnesties for illegals to leave or adjust their status. Individuals who overstay their permits are deported. Interestingly, airports in the region now have iris-scanning machines to prevent deported individuals from returning using false papers or different names. In Dubai more than 22,000 individuals were refused entry in 2008 after iris scans.

Third, legally provide the market with its labor needs. This can be done through the sponsorship system, which holds the importers responsible for the wellbeing of their imports. Illegal immigration persists because of loopholes in immigration laws and lack of enforcement will. In the absence of job available illegal immigration would rapidly decline. This means that the locals need to be brought into the process and held accountable for using the services of illegal immigrants.

Fourth, labor-exporting countries need to also be brought in the process and held responsible for the wellbeing of their citizens. The problem of legal and illegal immigration has supply and demand sides and attention must be provided to both in spite of the fact that in this case the demand is more important.

Finally, national security is important and when a possibility to naturalize immigrants or provide amnesty without harming the national security or economy arises it should be taken. In the final analysis new blood and a hunger to succeed never hurts any nation.