Migrant labor has been an inherent part of economic development.

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WPR: Migrants and expats make up a huge part of the labor force in the Gulf. What have the Gulf countries' policies been regarding migrant labor and how have they evolved over time?

Karen Young: All of the states in the Gulf Cooperation Council, or GCC, have relied on imported labor to build their economies over the past 40 or more years. Migrant labor has been an inherent part of economic development. The institution of the "kafala" system, which requires all migrant laborers to have a local sponsor, has preserved citizenship rights and benefits for nationals, while providing job opportunities for many foreigners from countries in economic crisis but little hope for social or political mobility in their host state. The reason why Gulf rulers created the kafala system in the early days of state formation was to give citizens an opportunity to create wealth and to jumpstart infrastructure development. Kafala also went hand-in-hand with commercial agency laws, so that any foreign business that wished to import a product to a Gulf state would require a local partner. The privilege of citizenship has been institutionalized from the beginning of state formation within the Gulf.

Migrant labor has followed certain patterns, both as a result of a Gulf state's domestic politics and international economic changes. While other Arab nationals were preferred as migrants in the 1960s, by the 1980s there was a general preference for South Asian nationals as migrants, particularly in low-skilled positions. The rise of Arab nationalism and the importation of outside Arab—and, more pointedly, Islamist—politics have been viewed as a threat to domestic stability by Saudi Arabia, which has helped shaped migrant labor patterns. We saw a distinct out-migration pattern after 2011 from the Gulf states, particularly from the United Arab Emirates and Saudi Arabia, as evidenced by the diminished presence in those countries of Arab nationals from Egypt, Syria and Lebanon. Likewise, financial changes within Saudi Arabia and the wider GCC impact the flow of people to the region. As Gulf economies expanded rapidly in the period of commodity and oil price booms in the 2000s, up to late 2014, demand for labor increased. Populations of both nationals and non-nationals surged to such degrees that migrants far outnumber citizens in places like Qatar and the UAE, the economies that grew fastest. In Saudi Arabia, roughly a third of the population is nonnational and also heavily imbalanced toward men. Saudi women make up about 34 percent of the total population.

The recent economic contraction has brought a diminished demand for imported labor, and we see many foreign employees stranded and struggling with repatriation in the cases where large contractors that are facing insolvency have failed to pay salaries. For others, visas are simply not renewed. And, for a smaller group of migrants who are middle-income and able to bring their families, we see “choice” out-migration to return home, as the fiscal policies to increase tax and fee structures have hit non-nationals especially hard.

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