

The coronavirus pandemic is having a devastating effect on migrant workers in GCC member states. Lacking employment and social protections of the native populations, foreign workers are more likely to contract the disease and get the worst possible care. Moreover, they are the most vulnerable to the economic toll exerted by containment measures and the oil price collapse. The response of governments and employers has been predictably harsh.

Foreign workers, which make up 46% of the total Gulf population, remit large sums of money back to their home countries every year.

In 2019 migrants sent back approximately \$121bn – \$4700 per worker – on average. This number is skewed to the richer guest workers given that most laborers and domestic workers make barely \$120 per month. Nevertheless, remittances have much more direct economic benefits for communities and economies of poorer countries than does aid, because there are few intermediaries.

Therefore, the job and income losses resulting from measures to contain the outbreak of COVID-19 will have a devastating impact on labor-exporting countries on a macro level (balance of payments and foreign exchange flows, which constitute an important source of hard currency), and for individual families, for whom the money is an important form income support.

Working conditions exacerbate economic and health toll

Workers in the Gulf come from most countries in the world, but the largest national representations are from South Asia, the Philippines, other Middle Eastern countries and increasingly citizens of African countries.

The most economically vulnerable groups of migrant workers are the most exposed to the virus. On April 29th there were just over 50,000 infected cases in the Gulf. Saudi Arabia, Qatar and Bahrain reported that most of the cases were foreign workers. The most vulnerable fall into two categories – male laborers mainly in the construction zones and female domestic servants.

The former live in cramped, poorly constructed dormitories, in some cases 10 to a room, and are transported to work in buses. As a result, social distancing becomes virtually impossible. The latter

are often required to work long hours under difficult conditions in private homes. Movement restrictions under lockdowns means perpetual work and increased risk of abuse from employers. This type of worker is less exposed to the coronavirus but if a family member gets sick, they are usually the care giver, without personal protective equipment.

For foreign workers in the Gulf's service sectors, which predominately employ migrants, the impact is more economic than health-related. Workers in this industry are generally better-paid with legally enforceable contracts, some benefits, and better living conditions, but many have lost incomes and jobs due to closures of restaurants, businesses and government offices.

Official responses reinforce unequal treatment

A side effect of COVID-19 has been an intensification of racism and prejudice against foreign workers – predominantly Asians. In one high-profile incident, a Kuwaiti actress called for migrants “to be put into the desert” to free up hospital beds for nationals, sparking a backlash on social media and heated debate about the treatment of foreign workers. [1]

But this mentality, which is deeply ingrained within the British colonial color/nationality-based apartheid employment system perpetuated by the Gulf countries, has shaped the response of both governments and private businesses to the current crisis.

The *hawala* system, which requires employers to sequester official travel documents of workers while they are in the country, has led to the creation of a large undocumented class of workers quarantined in labour camps, which have then become infection “hot spots” due to lack of access to health care.

Officially, governments claim that guest workers have equal access to health care facilities. This may be true for the more middle-class office workers and their families, but in general the most vulnerable quarantined in the camps receive very basic or no care. Labor camps in Saudi Arabia, the UAE and Qatar have all been quarantined and isolated but, according reports from human rights groups, residents barely receive health care and even food in some instances. UAE, Qatar and Oman have also banned migrants in camps from using internet-based communications apps to call home in order to protect the commercial interests of their telecoms companies. [2]

Governments have also failed to ensure local business meet their salary and travel obligations to the

workers that have lost their jobs. There have been reports of migrants being prevented from going home due to extensive flight cancellations or refusals from employers to buy airline tickets for their return journey – a requirement of the governments

Some of the Gulf governments have called on the guest workers' countries of origin to repatriate unemployed and stranded workers. Countries like Bangladesh, fearing the future reprisal by Gulf countries, have aided their workers to return. In contrast, the Indian government under Prime Minister Modi has refused to let its workers return out of fear of them bringing the virus back until the lockdown in India ends. Labor-exporting countries have had to balance keeping good relations with the Gulf states because they have been a huge source of foreign exchange and income for their poorer citizens.

Oil and COVID-19 crises harm long-term employment prospects

Lower-for-longer oil prices and the economic recession even in the more successful Gulf countries means less foreign workers in the future.

In contrast to past oil price downwards cycles, the coronavirus-induced economic crisis will have a lasting effect on the Gulf economies. The oil price depression will be lower for longer.

The first casualty of this economic contraction will be capital spending from the state budget, which means the construction sector will shrink and demand for foreign workers will fall. Another feature of this downturn, which ironically the more successful Gulf economies had developed to offset the oil price cycles, will be the hit on the services (finance, trade and tourism) sectors. These usually employed the higher-paid foreign workers.

A silver lining for the Gulf governments managing their balance of payments in these stressed times will be lower remittance outflows in the next several years. For the labor-exporting countries, their workers and families, this crisis will be a longer-term disaster.

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Sources:

[1] Arab News, Apr 1 2020, "Kuwaiti actress Hayat-al-Fahad triggers uproar with call for expat ban over coronavirus <https://www.arabnews.com/node/1651251/middle-east> and TMV Apr 16 2020 "UAE celebrity heavily criticised for racist rant against Indian and Bengali workers in the Gulf. <https://themuslimvibe.com/muslim-current-affairs-news/uae-celebrity-heavily-criticized-for-racist-rant-against-indian-and-bengali-workers-in-the-gulf>

[2] For example: The News Minute April 24, 2020 ""'No access to toilets, cramped spaces': Migrant workers with COVID-19 in UAE seek help" <https://www.thenewsminute.com/article/no-access-toilets-cramped-spaces-migrant-workers-covid-19-uae-seek-help-123278>