

Gulf Cooperation Council Countries and Challenges of Expatriate Workers

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ABSTRACT

Over the last six decades, reliance of Gulf Cooperation Council (GCC) countries' economy on expatriate workforce has increased incessantly. Majority of private sector workforce in Gulf Cooperation Council (GCC) countries are expatriates. Recent attempts by governments in GCC countries to localise the workforce, through their workforce nationalisation programmes, have offered limited results. Thus dependence on expatriate workforce will continue in near future and GCC countries, short of professionally and technically qualified local workers will need to employ a large number of expatriates to support their economic and social developments plans. This calls for a systematic approach to understand the specific challenges faced by expatriates of different nationalities in GCC countries, so that these challenges can be addressed to enable GCC countries to become a preferred destination for technically and professionally qualified expatriate workers. This paper presents an overview of GCC countries; reasons for their dependence on expatriate workforce; key current challenges faced by expatriates in GCC countries and suggestions for facilitating adjustment of expatriate workers in GCC countries.

Keywords: Expatriate adjustment, Migration, Foreign worker, Gulf Cooperation Council, GCC

1. INTRODUCTION

Workers working in a foreign location for more than one year are considered to be expatriate workers. (Richardson & McKenna, 2003). Expatriates are temporary workers who work in a foreign location under contracts which are of limited duration (Ward, Bochner & Furnham, 2001 as cited by McGinley, 2008). These work contracts may be renewed multiple times thus prolonging the stay of expatriate worker in a foreign country (Shah, 2009). Increasing numbers of expatriate workers are now accompanied by their spouse and/or children (Haslberger & Brewster, 2008), thus necessitating the need of not only workplace adjustment but also social and cultural adjustment of self and family.

2. Common economic Features of Gulf Cooperation Council (GCC) Countries

The Gulf Cooperation Council (GCC) came into existence in 1981, when Bahrain, Qatar, Saudi Arabia, UAE, Oman and Kuwait joined hands for regional collaboration. The GCC countries are a part of the Arab world and share a common cultural, religious and historical background (Kirk & Napier, 2008). Some common economic features amongst GCC countries are: dependence on petroleum products, young and fast paced growth of the local labour population, and high dependence on expatriates in the private sector (Sturm, Strasky & Peschel, 2008). The sparsely populated region of GCC faces acute shortage of technically and professionally qualified nationals (MoEA, 2001).

3. Nationalisation of Workforce in GCC

For many years GCC has been attempting to promote higher participation of local population in the national workforce with workforce nationalization programs such as Bahrainization (Bahrain), Emiratization (UAE) and Omanization (Oman). This has been necessitated by the fact that about 60 per cent of the local population of GCC is between the ages of 14 and 27 (Dollman, 2007) and is speedily adding to the increasing number of employment seeking adults.

In the public sector workforce, higher participation of the local population has been achieved through lower knowledge and experience requirements for recruits (Al-Ali, 2008; Forstenlechner, 2008). Public sector employees are offered better salary, higher job security, lesser work hours, lesser work content and generous holidays (Al-Ali, 2008). This creates a privileged workforce segment of local nationals in public sector with better compensation and less demanding work profile.

4. Growth of Expatriate Workforce in GCC Countries

In GCC countries, nationals are a predominant component of government workforce where as expatriates are in majority in the private sector (Forstenlechner, 2008; Keivani, Parsa & Younis, 2003 as cited by Malecki & Ewers, 2007). Number of migrant workers in GCC has increased from just 9 million in 1990 to 13 million in 2005 (Dito, 2008). Popularity of expatriates in the private sector workforce is due to higher productivity and better discipline (Sadi & Henderson, 2005).

5. Gender Differences in Migration in GCC

Though expatriate population in GCC has grown in the last six decades, yet participation of female in migrating workforce to GCC is one of the least in the world with only 29 per cent of the migrants being females (Dito, 2008). A substantial number of Asian female migrants in GCC are engaged in the occupation of domestic servants (Malecki & Ewers, 2007). This highlights the fact that professional expatriate women have limited opportunities in GCC. Orthodox social and cultural factors are responsible for lack of work opportunities for single women in GCC as some of the countries do not easily allow work permits for single expatriate females or married expatriate females not accompanied with spouse. Majority of female expatriate professionals in GCC are those who have accompanied working spouse or parents to GCC on a family visa and have later managed a job opportunity.

6. Gender Differences in Salary in GCC

In the Arab world, women in workplace suffer from bias with reference to severe differences in pay as well as social attitude towards women in leadership position (Al-Ali, 2008) and the same applies to GCC. According to Haslberger and Brewster (2008), accompanying spouses of expatriates find it difficult to find a new job in a foreign location. With specific reference to female expatriate workers, as many of them originally accompany their working spouse under spouse sponsored family visa and with no confirmed job, they are more vulnerable to lower paying jobs. In many circumstances for the same job, with similar work content and responsibility, female expatriate workers agree to work for a lower salary in comparison to salary paid to a male colleague, as they prefer to work for lower salary rather than to sit idle at home.

7. Social Division of Labour in GCC and Social Interaction between Locals and Expatriates

While adjusting in an environment of a new country, expatriates face multiple social and cultural challenges (ORC, 2007). In the social hierarchy in GCC, local Arabs occupy the highest platform, followed by skilled westerners, Arabs from other countries and the lowest position is occupied by the Asians (Malecki & Ewers, 2007). Within Asians Indians are placed slightly higher than the Bangladeshis and Sri Lankans (Malecki & Ewers, 2007). Expatriates from different foreign locations are extended a different social treatment and Asian expatriates do not enjoy the same social status as their counterparts from western world do. This social division gets further enhanced by the fact that local and expatriate populations have lower social and cultural interaction with each other.

8. Work Visa Requirements

The majority of migrants in GCC can not gain citizenship (MoEA, 2001; Shah, 2004; Shah, 2009). Expatriates in GCC work on short term work visa and permanent residency status for the expatriates is discouraged on account of social and cultural reasons. Work visa are generally issued until the age of 60 years (Al-Ali, 2008) and needs to be renewed after every two years. This creates a sense of uncertainty and job insecurity in the minds of expatriates as the present labour laws are skewed in favour of the employer and the work contracts can be terminated any time by the employer (Al-Ali, 2008).

9. Weak Labour Laws in GCC and Labour Market Liberalization

Labour laws in GCC are weak, for example in UAE the labour laws are biased in favour of employers and the law enforcements is poor (Keane & McGeehan, 2008). For an expatriate to change job from one employer to another, while remaining in the same country in GCC, once required a NOC (no objection certificate) from the current employer. On account of international pressure on GCC to reform its labour laws, such practices are being gradually abolished (Gulf Talent 2008), but still more worker friendly labour laws are the need of hour.

10. Economic Problems of Expatriates in GCC Countries

According to Haslberger (2008) adjustment of an expatriate in a foreign location is also influenced by living cost, house rents and other expenses. High inflation in the last few years has become an important feature of GCC economy. Average inflation in GCC increased to above 6% in 2007 (Sturm et al., 2008) and further increased to double digit figures in 2008 (Saif, 2008). This directly influences the capacity of an expatriate to save and remit money to parent country.

11. Some Solutions to Challenges Faced by Expatriates in GCC Countries

Expatriates are in general perceived to be temporary worker, but in GCC a large number of expatriates have been living for a longer duration (Coffman, 2003). Further, a large number of expatriates in GCC want to stay back. According to a recent survey 77 per cent of expatriates want to continue working in UAE, further, 54 per cent in Bahrain and 46 per cent in Oman want to continue working (Gulf Talent, 2008). Above mentioned findings suggest that to large extent expatriate workers in GCC countries have been able to overcome the hurdles they face while adjusting in a foreign land. Successful expatriate adjustment in GCC countries is a joint effort in which the GCC governments, employer and expatriate themselves participate and jointly attempt to remove the road blocks for expatriate adjustment.

Some GCC countries such as Bahrain and Kuwait are attempting to address the drawbacks of work visa requirements and are trying to simplify the procedures in favour of the expatriate workers. Bahrain is in the process of granting expatriate workers some freedom of movement in the labour market by allowing them to transfer jobs without paying any penalty (Shaikh & Sinclair, 2009). But still more needs to be done by governments in GCC to legally protect the work related interests of expatriates.

Conclusion

Though some of the solutions have been implemented in the recent past to facilitate expatriate adjustment in GCC countries yet a lot more is still required to be done by the governments and private sector organisations in GCC countries. To become an attractive destination for qualified expatriate workforce, governments in GCC countries need to immediately address following issues:

- a) Introduction of more stringent labour laws to protect expatriate workers from forced overtime, poor living conditions, working under hazardous conditions.
- b) Introduction of more stringent laws to protect expatriate workers from arbitrary increase in house rents
- c) Simplification of work visa rules to enable an expatriate to freely change employer
- d) Joint initiatives with the private sector to reduce salary bias against Asian expatriates.
- e) Reduction in gender differences in migration by simplifying work visa rules for female expatriates.
- f) Better enforcement of labour laws to protect interests of female workers, especially unskilled and semiskilled female workers.
- g) Joint initiatives with the private sector to provide a work environment where female expatriate workers do not suffer from any work related bias, especially with reference to salary bias.

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