

COVID19 and Gulf Migration

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ABSTRACT

The Covid-19 and the resultant contraction in the Gulf economies affected the migrant workers, their dependents in home countries who depend on remittances from Gulf. It exposes the high degree of vulnerability and enforced the Gulf governments to push economic, and financial reforms to protect and maintain labour market stability which resulted in migrant's unemployment. The slowdown had negative impact on migrant workers of Construction, aviation and tourism sectors. Decline in income, loss of employment, seeking part-time employment as an alternative financial source to offset their full or partial loss of jobs, non-payment of monthly rents, low level of assistance by embassies and non-eligibility for medical insurance were the problems impacted migrants. The pandemic intensifies the nationalization efforts in gulf region. They began to impose taxation on migrant workers which raised their cost of living. Recent trends in Gulf region indicate a ray of hope and optimistic future for the migrant workers. The GCC has realised the vital role of migrants in the development plans. Labour sending countries have to improve the skills of migrants to meet the changing demands of Gulf labour market.

Keywords- GCC, push factors, nationalization, Arab Spring, labour market, migrants.

I. INTRODUCTION

The post-COVID19 migration scenarios gave rise to many challenges for the Gulf countries, migrant sending countries and migrants and their families. The slow economic recoveries of Gulf countries affected the employment opportunities both in terms of quantity and quality.

The global economic slowdown and the Covid-19 pandemic significantly resulted in lower oil demand and the decline in oil demand caused the price of an oil barrel to fall around 20 USD from 60 USD in April 2020. The petroleum and non-petroleum sector slowdowns is a severe blow for the oil dependent gulf countries.

Covid-19 pandemic-led lockdowns and reduction in oil prices in the world market had substantial negative impact on Gulf economies and the

economic downfall adversely affected the migrants in the gulf countries. As large number of migrants from developing and poor countries which heavily depend on remittances from gulf countries, severely affected.

During COVID19 pandemic, the migrants in the six Gulf cooperation council countries- Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE) faced many challenges due to the Lockdown. Decline in income, loss of employment, seeking part-time employment as an alternative financial source to offset their full or partial loss of jobs, non-payment of monthly rents, low level of assistance by embassies and non-eligibility for medical insurance were the problems impacted migrants.

COVID19 pandemic exposes the high degree of vulnerability and enforced the Gulf governments to push economic, and financial reforms to protect and maintain

labour market stability which resulted in migrant's unemployment.

Fall in revenue limited their fiscal budget and the impact is felt in infrastructure projects, which significantly employs large number of foreign migrants. In order to reduce their financial burden, Saudi Arabia has cut \$8 billion from its Vision 2030 and Kuwait, Bahrain, and Oman have also downsized their fiscal budgets.

The reduction of operational costs by the companies caused more unemployment in the labour intensive industries like hospitality, aviation, construction sectors. Recently Saudi Arabia introduced value added tax and UAE increased the fees of work permits, airline ticket prices as a part of their ongoing Localization policies indirectly resulted in the out flow of migrants working in Gulf Regions. There is also a fear of complete localisation of gulf labour markets in future to arrest the increasing unemployment among Arab nationals.

II. STORY BEHIND GULF MIGRATION

During 1960s Gulf countries wanted to use the abundant petrodollar wealth to develop their countries social and economic infrastructure without disrupting the existing power structure. Since the local population in the Gulf region lacked formal education and specific skills to work in the oil and gas industry or the ancillary infrastructure developments. In the spirit of Arab solidarity in the 1970s, the GCC countries prioritized migrant workers from Arab countries like Egypt, Syria and Yemen. However, this preferential treatment was short-lived. The ruling class in the GCC countries feared that the socialist and pan-Arab tendencies among the Arab migrant workers would threaten political stability. Hence, they replaced the Arab migrants with Asian migrants and the migrant workers from South and Southeast Asia occupied much of the GCC workforce by the mid-1980s.

Migrants constitute a dominant force in Gulf cooperation council. In Bahrain Kuwait, Qatar and the UAE, more than fifty per cent of the total population are migrant workers during the year 2020. More than one-third of the total population are migrants in Saudi Arabia and Oman. Thus GCC countries emerged as a dream destinations for labour sending countries which depend on remittances from Gulf dream to address their problems of unemployment and poverty.

Drawback of the GCC's migration policy:

The important drawback of the GCC's migration policy is kafala (sponsorship) system. The migrants enter the country as contractual workers, and the kafeel has absolute control of the work and mobility of migrant workers. After the contract period ends, the kafeel may renew the contract or repatriate the migrant worker to the country of origin. Thus their stay is only

temporary. Local sponsors, recruitment agencies and consultancy firms are also involved in the migration flows to the GCC countries. This provides a chance for labour exploitation as migrants do not enjoy any direct protection and rights from the state. Low wage workers are exploited by way of delay in salary payment, working hours etc. Such kind of exploitations were high during the COVID-19 pandemic.

III. PLIGHT OF MIGRANT WORKERS DURING THE PANDEMIC

Migrant workers account for more than fifty per cent of the labour force in Gulf countries. The Covid-19 and the resultant contraction in the Gulf economies affected the migrant workers, their dependents in home countries who depend on remittances from Gulf.

Low skilled workers are the worst affected during the pandemic as they had to stay in the cramped labour camps and also lost their jobs. They found hard to manage their day to day expenses. The economic conditions of migrants were worsened. The undocumented migrants could not access the healthcare facilities. Further due to the closure of airports they had to stay in gulf.

The slowdown had negative impact on migrant workers in terms of mandatory leave, salary cut and layoffs. It is evident from the experience in the aviation sector. Pilots and cabin crew were given unpaid leave by Emirates and staffs were laid off by Qatar Airways which was already affected due to the blockade imposed by some of the other GCC countries in 2017. Tourism in UAE was affected due to travel bans and suspension of flights. Saudi Arabia lost billions of dollars due to the ban on pilgrimage.

Construction sector was severely hit by the fall in oil revenue and larger fiscal deficits. Mega construction projects were stopped which led to pay cuts and layoffs for all migrants irrespective of their skills. The trickledown effects of the oil slump resulted in loss of jobs for 700000 low skilled workers.

COVID mandatory testing for future employment or work permit renewals administrative crackdowns on undocumented migrant workers working in fishing, construction etc, migration quotas and suspension of work permit issuance are the restrictive measures imposed by gulf countries in order to stem the inflow of migrants and to send out them.

Migrant sending countries feared to open the airports despite the GCC countries demanded an immediate repatriation of all migrants who were ready to return home. UAE warned the migrant sending countries that they would reconsider the labour relations with them. Kuwait introduced a bill in the National Assembly to bring a quota system to limit the number of migrant workers by 2025.

The migrant-sending countries eventually opened the doors of airports and mass exodus of migrants from the Gulf region started. Doubts are increasing about the return of migrants to Gulf region and many predicted the end of the Gulf Dream.

It is reported that migrants in Gulf are being influenced by the push factors like limited employment opportunities and financial responsibility to safeguard their families and also poverty prevails in their home countries to stay in Gulf with a hope of future economic recovery. The wage differential dimension between Gulf countries and migrant sending countries played a vital role in compelling them to survive with COVID pandemic and to stay in Gulf.

IV. THREATS AND CHALLENGES

The pandemic intensifies the nationalization efforts in Gulf region. Since 1980 the nationalisation policies aiming at safeguard the Gulf citizens resulted in the loss of job opportunities for migrant workers. This shows that the Gulf governments are aiming at reducing the dependence on migrants in the long run.

The nationalization policies in the GCC countries aim to meet the aspirations of the native youth and female population, and give them prominence in the job market, especially after the Arab Spring uprisings. It increases the Gulf national's participation in private sector employment.

The main revenue source of Gulf countries is petro dollars. But the rise of alternative energy sources globally, such as nuclear power and oil-bearing shale deposits forced the GCC to shift the focus from oil sector toward non-oil sectors. They began to impose taxation on migrant workers which raised their cost of living. Finally the pandemic became a serious blow to Gulf countries which in turn affected the migrants.

V. OPPORTUNITIES FOR MIGRANTS

Recent trends in Gulf region indicate a ray of hope and optimistic future for the migrant workers. The present government in Saudi Arabia has launched the 'Vision 2030' to reduce Saudi dependence on oil and increase investment in the non-oil sector. Other GCC countries planned to align with the United Nations Sustainable Development Goals 2030. UAE's agenda for the next fifty years, termed as principles of the 50 is a positive sign. These trends have opened new opportunities for the migrants.

Since the labour laws of GCC came under scrutiny during the international Expo in Dubai and FIFA world cup in Doha, attempts are being made to remove the problematic elements in the kafala system. After the COVID-19 pandemic, UAE successfully hosted EXPO in Dubai and Doha conducted FIFA world cup 2022. These two events enhance the business

optimism in Gulf region. The recent Russian –Ukraine war, followed with an embargo on Russian oil and gas resulted in an increase of oil prices and there is a demand on Gulf countries to increase their oil production.

The GCC has realised the vital role of migrants in the development plans and though the nationalisation policies were introduced to safeguard the local ethos, the GCC countries are now devising ways to make their respective countries the cultural and commercial hub of the region and the world.

Recently there is move to issue permanent residency visas to attract foreign talented migrants. The visa holders are free from local sponsors. UAE government allowed specific categories of foreigners, their spouses and children to acquire Emirati citizenship. Saudi Arabia also followed the Emirati footsteps by issuing a royal decree to grant citizenship to "experts and exceptional global talents" in November 2021. These developments retain the faith in Gulf dream. However labour sending countries have to improve the skills of migrants to meet the changing demands of Gulf labour market and also to make use of the experience and expertise of return migrants.

The demand and supply conditions of GCC labour market has changed much. How the migrants respond to the changes will determine their demand in Gulf countries.

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