

## **قوى العمل الخارجية في الخليج العربي : المشاكل والآفاق**

### **ج . سزروفي وشملان العيسى**

يتناول هذا البحث بالدراسة موضوع العمالة غير الوطنية في كل من الكويت ودولة الامارات العربية المتحدة وقطر ، اي قوة العمل الوافدة الى هذه الاقطار من دول أخرى ، وأثر هذه العمالة على حالة الاستقرار في تلك الاقطار .

وقد قارنت الدراسة اوضاع قوة العمل في اقطار الخليج هذه من حيث حالتها واعدادها وتأثيرها في الاستقرار والقوانين في هذه الاقطار .

وقد تضمنت الدراسة ايضا مقارنة بشكل أو بآخر بين قوى العمل الوطنية في هذه الاقطار وغير الوطنية .

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# INSTABILITY MODEL FOR THE GULF STATES WITH LARGE EXPATRIATE POPULATIONS

## NON-INTEGRATION -- CONSERVATIVE POLICIES MODEL

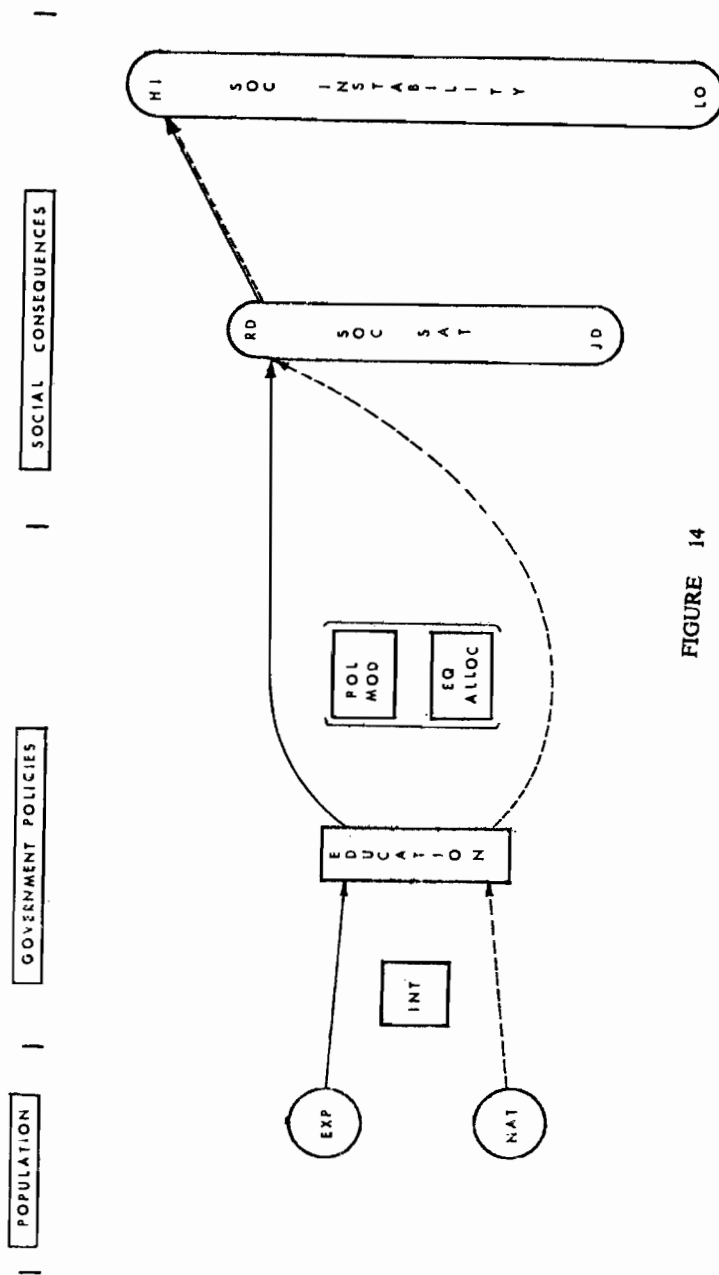


FIGURE 14

# INSTABILITY MODEL FOR THE GULF STATES WITH LARGE EXPATRIATE POPULATIONS

NON - INTEGRATION -- PROGRESSIVE POLICIES MODEL

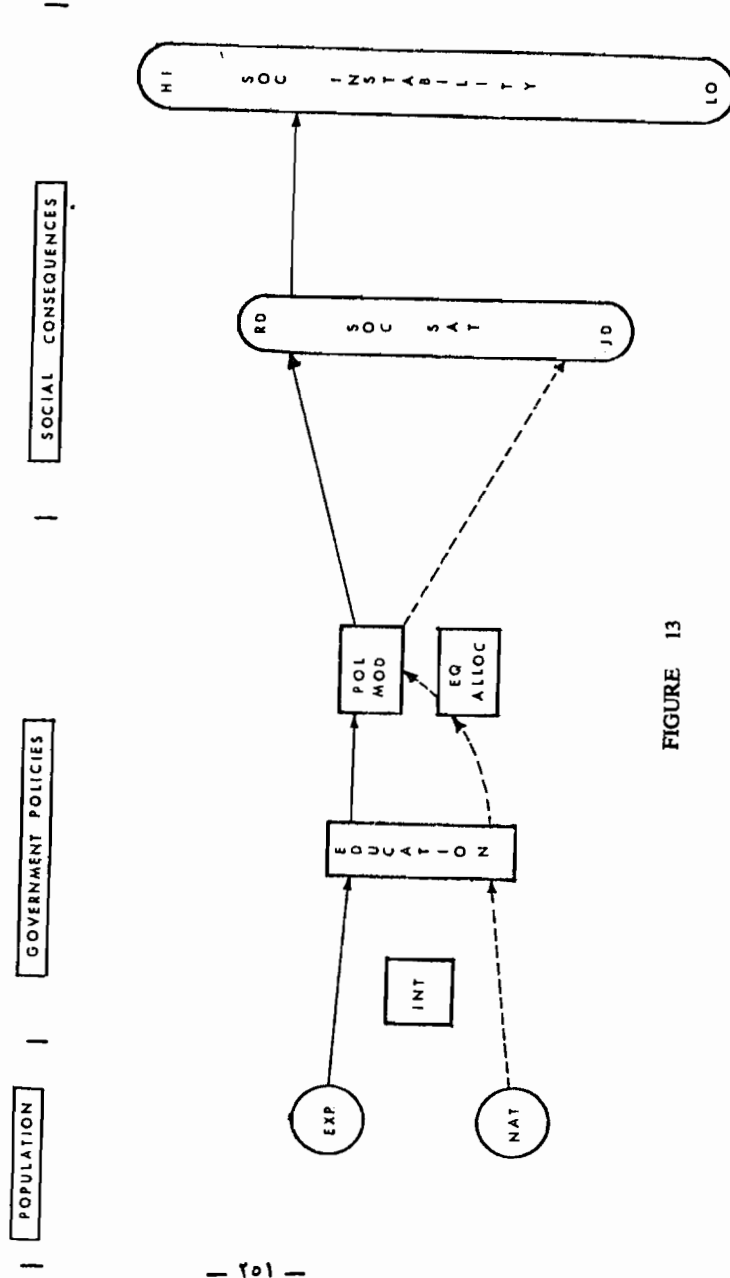


FIGURE 13

# INSTABILITY MODEL FOR THE GULF STATES WITH LARGE EXPATRIATE POPULATIONS INTEGRATION -- CONSERVATIVE POLICIES MODEL

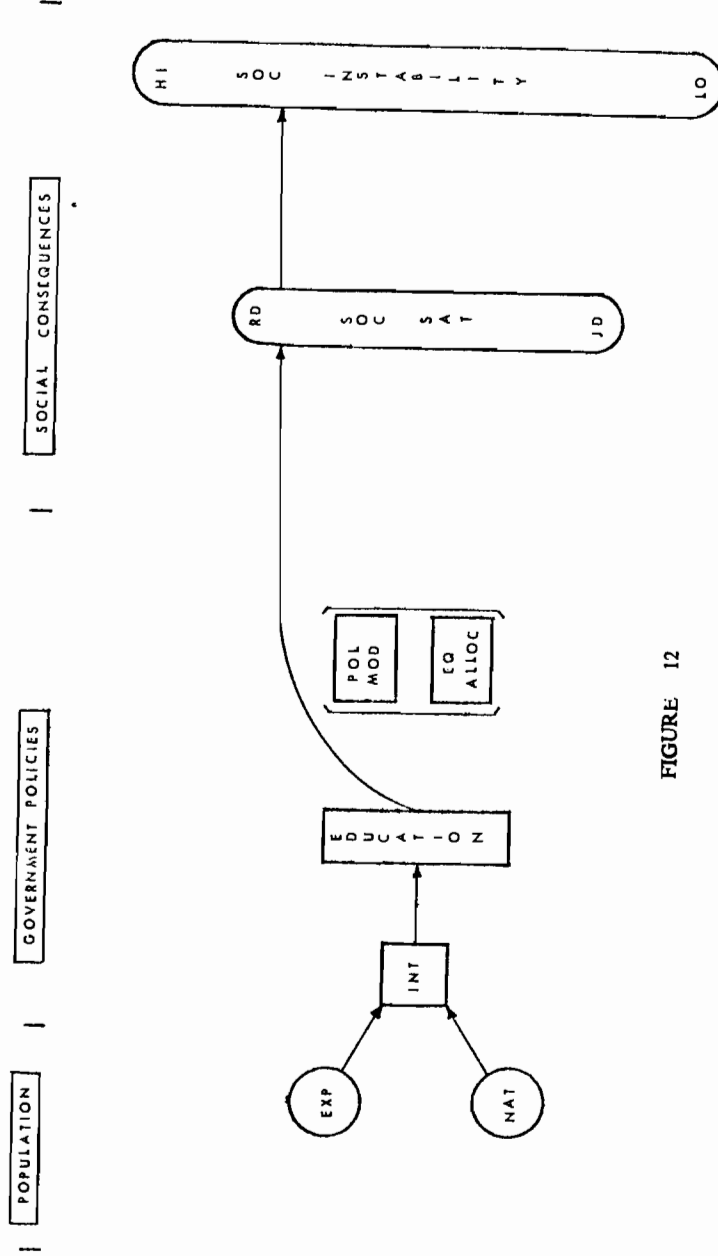


FIGURE 12

# INSTABILITY MODEL FOR THE GULF STATES WITH LARGE EXPATRIATE POPULATIONS

## INTEGRATION -- PROGRESSIVE POLICIES MODEL

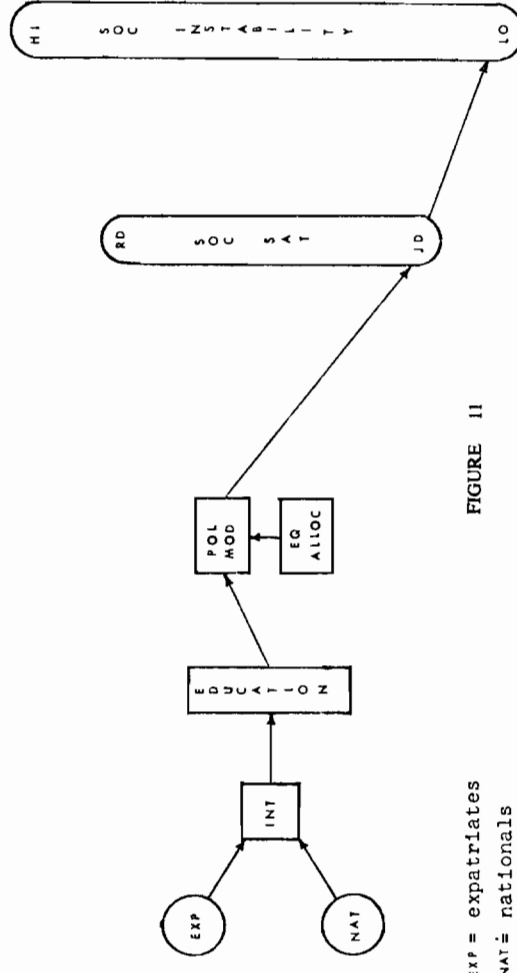


FIGURE 11

EXP = expatriates

NAT = nationals

INT = integration

POL MOD = political modernization

EQ ALLOC = equal socio-economic allocation policies

SOC SAT = social satisfaction

RD = relative deprivation

JD = just deserts perception

GOVERNMENT INPUT COMPARISON TOWARDS  
EXPATRIATES & NATIONALS

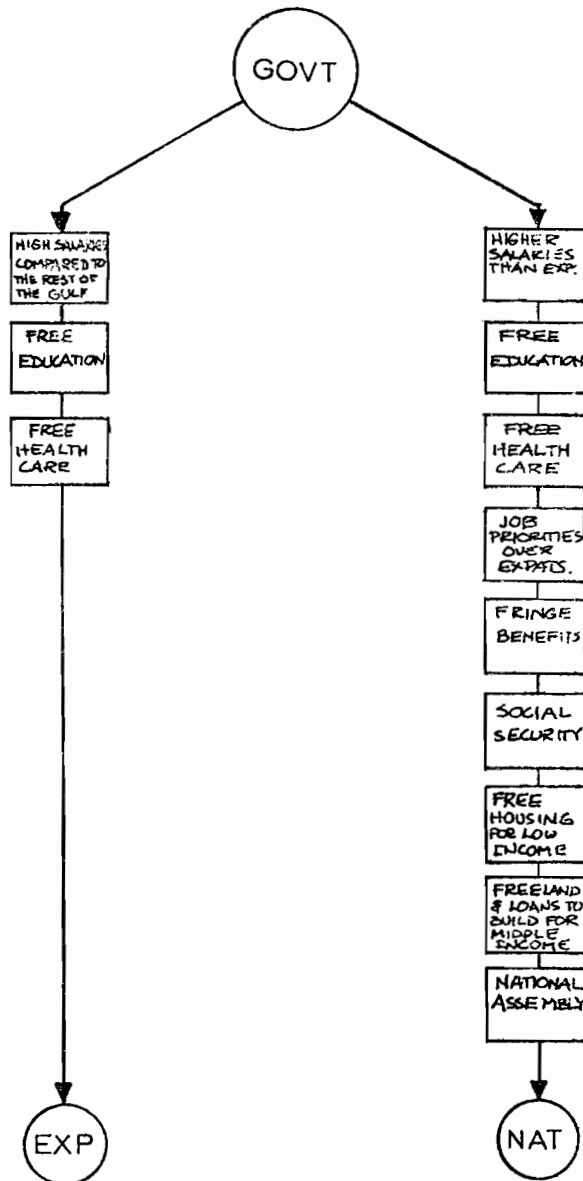


FIGURE 10

EXPATRIATE & NATIONAL INPUT COMPARISON  
TOWARD THE GOVERNMENT

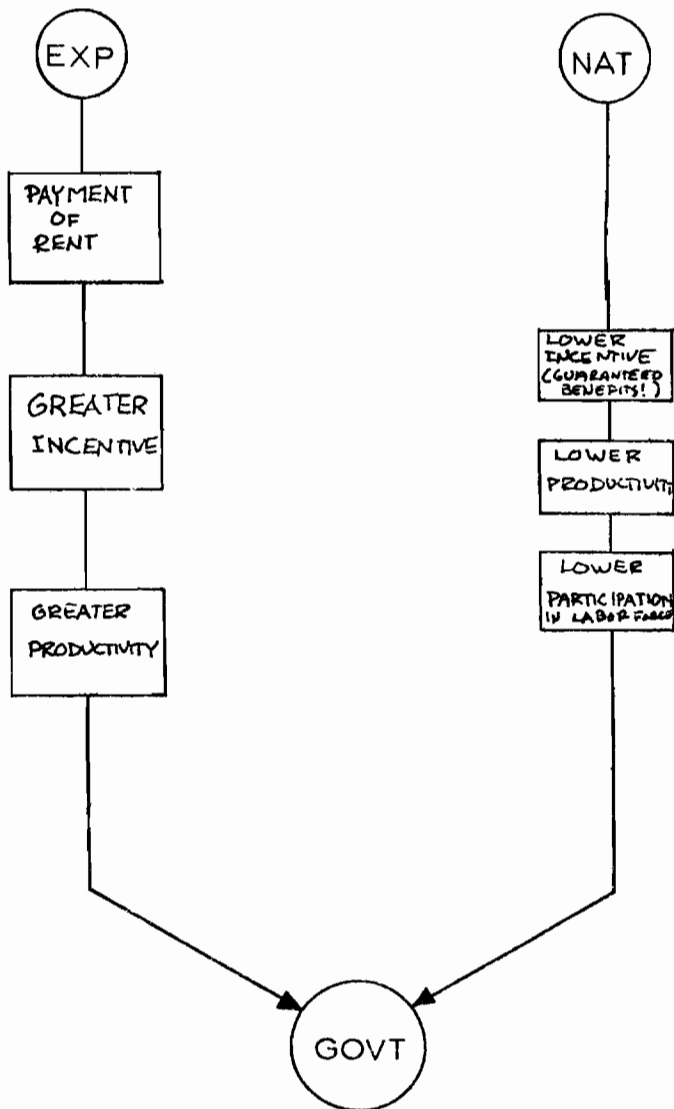
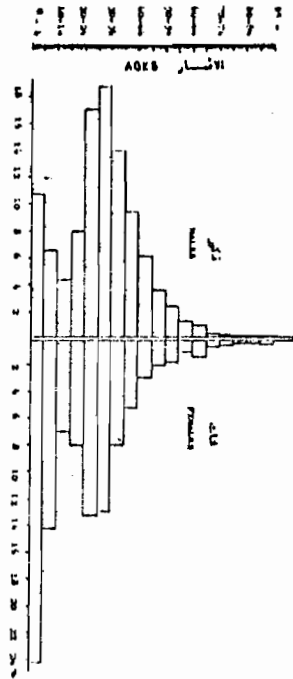
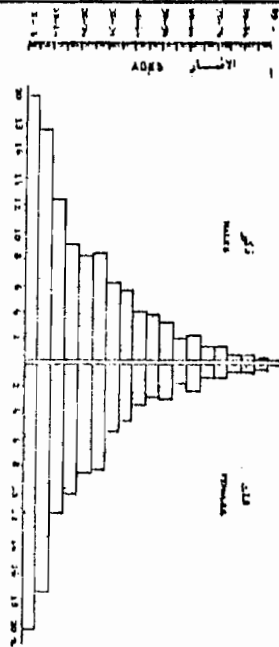


FIGURE 9

البيانات السكانية للسنة 1963  
 POPULATION PYRAMID OF NEW ISRAELI  
 1963

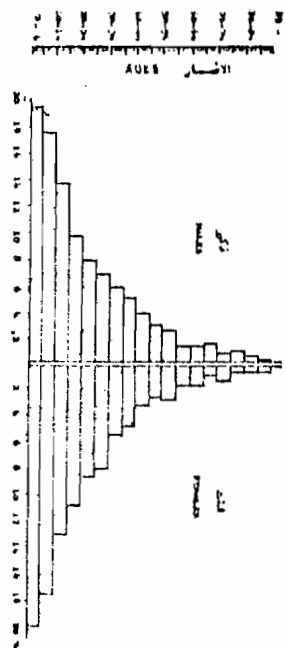
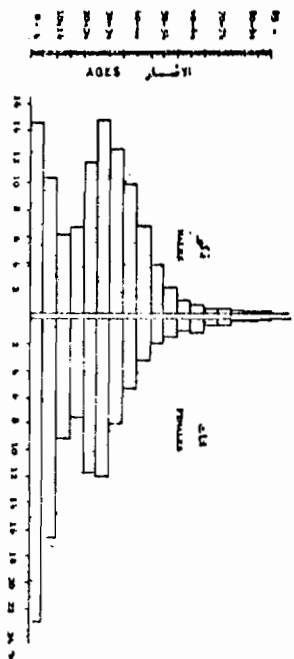


البيانات السكانية للسنة 1963  
 POPULATION PYRAMID OF NEW ISRAELI  
 1963



1970

البيانات الديمغرافية  
PROPORTION FEMALE OF MALES  
1970

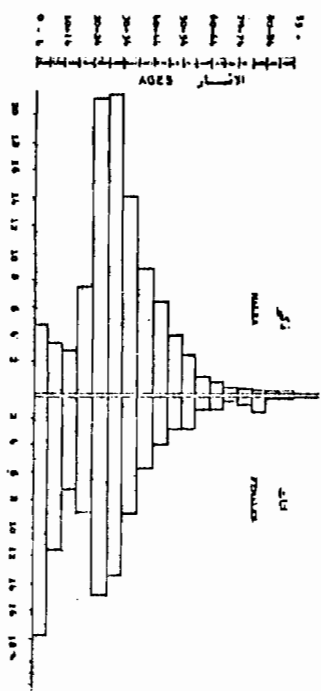


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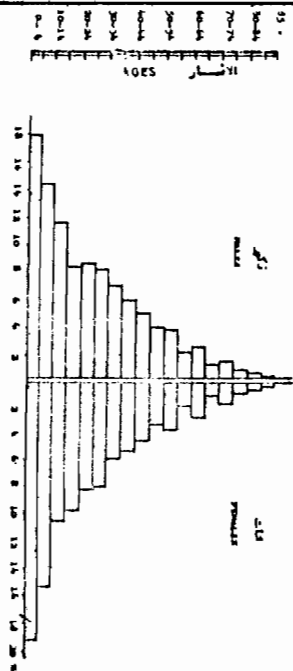
FIGURE 8 — B

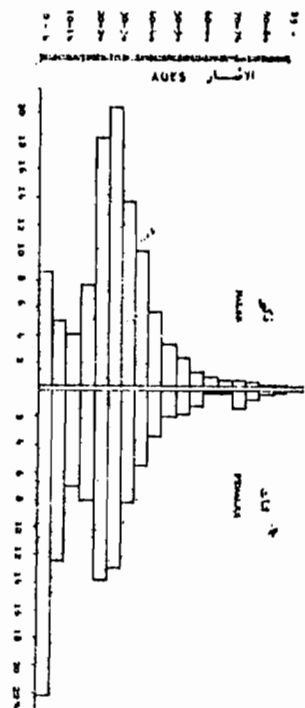
Source: Statistical Yearbook of Kuwait 1974

الهيكل السكاني للسكان العرب  
POPULATION STRUCTURE OF ARAB  
1977

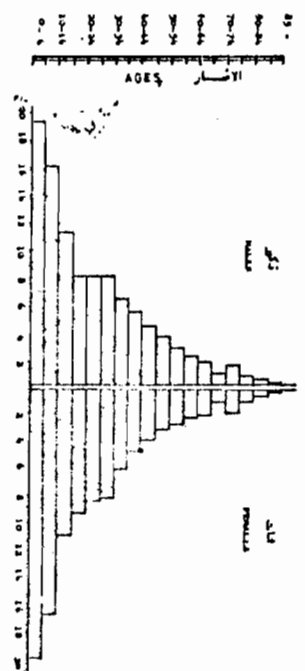


الهيكل السكاني للسكان العرب  
POPULATION STRUCTURE OF ARAB  
1957





1974



البيانات السكانية  
البيانات السكانية  
1961

Source: Statistical Yearbook of Kuwait, 1974

FIGURE 8

**EXPATRIATE GOVERNMENT EMPLOYEES & WORKERS  
IN THE GULF ECONOMIES (%)**

|        |            |
|--------|------------|
| KUWAIT | 53% (1970) |
| U.A.E. | 42% (1974) |
| QATAR  | 36% (1970) |

SOURCE : Arab Planning Institute, SEMINAR ON HUMAN RE-SOURCES DEVELOPMENT IN THE ARABIAN GULF, (1975).

**FIGURE 6**

**EXPATRIATE LABOR FORCE IN THE DIFFERENT SECTORS  
OF THE GULF ECONOMIES (%)**

|                                        | Kuwait | U.A.E. | A.D. | Qatar |
|----------------------------------------|--------|--------|------|-------|
| Professional, Technical & Related      | 85%    |        | —    | 81%   |
| Administrative, Executive & Managerial | 65%    | 87%**  | —    | 52%   |
| Clerical                               | 59%    |        | —    | 72%   |
| Sales                                  | 69%    | 56%    | 90%  | 81%   |
| Farming & Fishing                      | 77%    | 7%     | 37%  | 95%   |
|                                        | 59%    | 53%    | 71%  | 79%   |
| Production & Raw Labor                 | 86%    | 82%    | 96%  | 87%   |

\*\*rough estimate for all three categories combined.

\* The table is compiled from Statistics in Arab Planning Institute, Seminar on Human Resources Development in the Arab Gulf.

**FIGURE 7**

**KUWAIT LABOR FORCE  
GROWTH RATE**

| LABOR FORCE | 1957  | GR %<br>57-65 | 1965   | GR%<br>65-70 | 1970   |
|-------------|-------|---------------|--------|--------------|--------|
| TOTAL       | 80288 | 11.0          | 185291 | 5.5          | 242296 |
| K           | 24602 | 7.5           | 44012  | 8.2          | 65369  |
| N K         | 55686 | 12.3          | 141279 | 4.6          | 176827 |
| % NK        | 69%   |               | 76%    |              | 72%    |

SOURCE : STATISTICAL YEARBOOK OF KUWAIT 1974.

FIGURE 4

**EXPATRIATE LABOR IN THE EAP OF THE GULF ECONOMIES**

|                      |            |
|----------------------|------------|
| KUWAIT               | 74% (1970) |
| UNITED ARAB EMIRATES | 57% (1968) |
| QATAR                | 83% (1970) |
| ABU DHABI            | 83% (1793) |

SOURCE : Arab Planning Institute, SEMINAR ON HUMAN RE-SOURCES DEVELOPMENT IN THE ARABIAN GULF (1975)

FIGURE 5

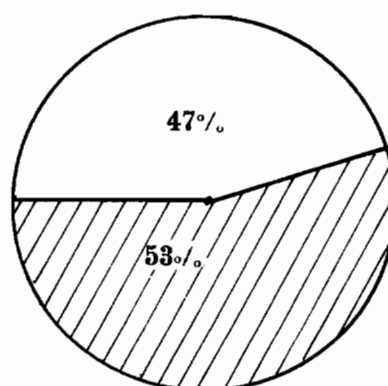
**THE GULF AREA — POPULATION & LABOR FORCE  
INFORMATION. 1972**

|        | POPULATION                        | EAP     | %     | LABOR FORCE |
|--------|-----------------------------------|---------|-------|-------------|
| KUWAIT | 738,662<br>(990,389)<br>est. 1975 | 239,271 | (32%) | 234,371     |
| UAE    | 350,000                           | 78,071  | (22%) | 78,071      |
| QATAR  | 170,000                           | 48,330  | (28%) | 48,330      |

\*The table is compiled from various governmental statistics.

**FIGURE 2**

**KUWAITI POPULATION PERCENTAGE  
(1970)**



○ KUWAITI  
 ▨ NON-KUWAITI

SOURCE : STATISTICAL YEARBOOK  
OF KUWAIT 1974.

**FIGURE 3**

11. AL TALIAH, No. 513, March 1, 1975.
12. See Ada W. Finifter, "Dimensions of Political Alienation in A.W. Finifter ed., ALIENATION AND THE SOCIAL SYSTEM, New York, 1972, and Edward N. Muller "Relative Deprivation and Aggressive Political Behavior" paper & Odivered at the 1975 Annual Meeting of the American Political Science Association, San Francisco.
13. Finifter, op. cit.
14. Planning Board, REPORT OF THE COMMITTEE FOR POPULATION POLICY, 1972 (in Arabic), Kuwait, 1972.

## FIGURES

### NON-KUWAITI POPULATION: BY NATIONALITY AND SEX, 1970

| Country of Origin       | Male   | Female | Total   | Percentage |
|-------------------------|--------|--------|---------|------------|
| Jordanian & Palestinian | 79,934 | 67,762 | 147,696 | 37.7       |
| Iraqis                  | 23,583 | 15,483 | 39,066  | 10         |
| Iranians                | 35,498 | 3,631  | 39,129  | 10         |
| Egyptians               | 17,392 | 13,029 | 30,421  | 7.8        |
| Syrians                 | 17,180 | 10,037 | 27,217  | 7          |
| Lebanese                | 14,145 | 11,242 | 25,387  | 6.5        |
| Indians                 | 10,510 | 6,826  | 17,712  | 4.4        |
| Pakistan                | 9,438  | 5,274  | 14,712  | —          |
| South Yemen             | 7,839  | 765    | 8,604   | 2.2        |
| North Yemen             | 2,026  | 337    | 2,363   | .6         |
| Saudi Arabia            | 6,025  | 4,872  | 10,897  | 2.8        |
| Other Arabs             | 13,760 | 3,003  | 16,763  | 4.3        |
| Other Asian (non-Arab)  | 207    | 55     | 262     | 0.1        |
| Other Nationalities     | 12,411 | 7,603  | 20,014  | 5.1        |
| Americans               | 394    | 422    | 816     | 0.2        |

SOURCE : Planning Board, 1970 POPULATION CENSUS, Table 4.

FIGURE 1

detailed examination. Although at present, this issue seems self-contained, the instability that it may generate if mismanaged may very well have monumental effects on the whole Middle East.

We hope our reflections have identified the direction of future inquiry, and will stimulate intensive and controversial debate.

#### REFERENCE NOTES

1. For further detailed statistics, see Central Statistical Office of Kuwait, STATISTICAL YEARBOOK OF KUWAIT 1970 AND 1974; Arab Planning Institute, SEMINAR ON HUMAN RESOURCES DEVELOPMENT IN THE ARABIAN GULF, Kuwait 1975.
2. Arab Planning Institute, SEMINAR ON HUMAN RESOURCES DEVELOPMENT.
3. IBID.
4. IBID.
5. AMIRI DECREE, Number 15, 1959; Revised 1966.
6. LABOR LAW, Art. 72, 1955.
7. First pointed out publicly in AL TALIAH (Kuwaiti weekly magazine), No. 427, June 2, 1973.
8. Reported in AL QABAS (Kuwaiti daily newspaper), Friday, January 23, 1976.
9. The Feierabends' discussion on modernization, where transition to modernity and systemic frustration is discussed in greater detail may be found in Ivo. K and Rosalind Feierabend and Betty A. Nesvold, "Social Change and Political Violence: A Cross-National Pattern" in H.D. Graham and T.R. Gurr, eds, Violence in America, Vol. II, Washington DC, 1969.
10. Marx's degradation pattern states that as value expectations stay constant, but value capabilities decline, the ensuing gap will result in revolution. De Tocqueville's "rising expectations" theory says that as expectations rise faster than capabilities, the growing gap will eventually become intolerable. Both relative deprivation theory, (James C. Davies, 1962) and the J-curve hypothesis are essentially based on a combination of these two concepts. Also see, James C. Davies, "Towards a Theory of Revolution," in AMERICAN SOCIOLOGICAL REVIEW, 6 (1) 1962.

ernization and allocation policies. The government is attentive to public demand and is skillful in implementing the optional trade-offs. This leads to Just Desserts perception in both segments of the population and consequently to low social instability.

This model, of course, would be the optimal outcome. At best, it is wishful thinking. However, we believe that a conscious and rational effort in this direction may yield the most positive results. (See figure 11).

**INTEGRATION-CONSERVATIVE POLICIES MODEL.** This scenario hypothesizes that if integration takes place, education is a constant positive factor and no political modernization is effected (and, consequently, there is no overall equal allocation policy), then relative deprivation perceptions will be jointly high in both segments of the population. This will mean low social satisfaction and consequently, high social instability.

This case seems to indicate the classical class struggle. Distinctions between natives and expatriates would disappear. Instead, repressive governmental policies would lead to class divisions. The education policies that are being followed now would, as a matter of fact, heighten the chance of instability. They would create an awareness of the lack of progressive policies and lead to heightened relative deprivation perceptions. (See figure 12).

**NON-INTEGRATION-PROGRESSIVE POLICIES MODEL.** In this case, education again being a constant, an obvious conflict between expatriates and natives would emerge. The native population would be high on social satisfaction, but the expatriates, who would feel discriminated against, would be low. Consequently, they would stimulate high social instability, being equal in number to the native population. The level of social instability could be further escalated if the native population would feel threatened and react with hostility. (See figure 13).

**NON-INTEGRATION-CONSERVATIVE POLICIES MODEL.** In this final hypothesis, we suppose the absence of both integration and progressive political modernization. Consequently, there cannot be equal socio-economic allocation. This yields a tripartite conflict. First, the expatriates perceive great relative deprivation with respect to general modernization. Secondly, the expatriates would feel relatively deprived in relation to the native population given the continuation of the present inequality structure. Finally, the native population would experience relative deprivation in terms of its perceived modernization expectations in relation to capabilities. Both groups would be low on social satisfaction. Social instability would be at its highest. (See figure 14).

These hypotheses are to be viewed as four possible general trends. Their purpose is only to call attention, and not to provide solutions to the politico-economic problems that may be generated by the expatriate populations of Kuwait, Qatar, and the United Arab Emirates. We feel that the potential problems are great enough in magnitude to merit much more

Education has been a main thrust of development. It is constantly being improved and is available to everyone. It has recently been made law that only high school graduates may hold government jobs. This is a clear attempt to upgrade the qualifications of the Kuwaiti labor force. Furthermore, the Ministry of Education has extensively revised the educational structure. Vocational training was given a much higher priority, geared to the immediate needs of the country. Similar policies are being followed in Qatar and the United Arab Emirates.

Following the preceding structural analysis, we can now construct our hypotheses with regard to future instability in the countries concerned. We present the hypotheses by constructing an "Instability Model for Gulf States with Large Expatriate Populations." The model has three structural sections and eight conceptual variables.

POPULATION is a given element. Its conceptual variables are the "Expatriate" and "Native" populations that function in terms of the GOVERNMENT POLICIES. In view of present policies, we have selected four policy alternatives. By "Integration," we mean the extension of citizenship rights to at least a major section of the expatriate population. We regard "Education" as a constant, being available to both natives and expatriates and being the most progressive element of modernization policies in the countries concerned. By "Political Modernization," we mean a progressive policy on the governments' part that would constitute cumulative involvement of the total population in the political process. By "Equal Socio-economic Allocation Policies," we mean the optional governmental allocative policies that would keep feelings of relative deprivation within each population group and also with respect to each other, at a minimum.

The final element in the model defines the reaction of the population to governmental policies in terms of SOCIAL CONSEQUENCES. We express the reaction on a "Social Satisfaction" scale, with Relative Deprivation representing the low and Just Deserts perception representing the high points of "Social Satisfaction".

This scale is of course, inversely related to the level of "Social Instability". The lower the "Social Satisfaction", the higher the "Social Instability", the greater the likelihood of aggressive political behavior. We define aggressive political behavior as problem-solving attempts by the given population groups outside the legal-institutional framework of the government.

In view of the present state of affairs and our defined model, we have constructed the following four hypotheses on the likelihood of social instability in Kuwait, Qatar and the United Arab Emirates, as a result of varying policies towards the expatriate population.

INTEGRATION-PROGRESSIVE POLICIES MODEL. Here, we presume an integration of the two population segments. Education has a constant and positive effect. Great flexibility is exercised in political mod-

In light of these definitions, we feel that given the political situation in the countries in question, and given the inequality structure, the majority of expatriate labor would perceive normlessness to be low and their own powerlessness to be high. The result would be political apathy. (13) This, in fact, is the existing condition on the part of the majority. The perception of their own well-being compared to their plight in their countries of origin still outweighs their perception of inequalities relative to the native populations. They see the ruling authority firmly established, and do not see their inequalities as a condition that would demand systemic change. At the same time, however, this is the condition most conducive to change in our time.

The majority of the present expatriate population has shown tendencies to become permanent in nature, or at least stay for an indefinite period. Their offspring who have grown up in the host countries and have been educated there will be entering the labor force over the next few years. They already feel a much closer association with their host countries than their parents, in fact, to them these nations are already their home countries. Consequently, as they become increasingly aware of the existing inequalities their perceptions of being non-citizens in what they regard as their HOME COUNTRY will also increase. Their feelings of political normlessness may consequently be high. Correlated with a feeling of high powerlessness and a perception of relative deprivation, this group may greatly increase the instability potential of the overall society.

These possibilities are, of course, a function of future governmental policies. Therefore, the level of future social instability will depend on the governments' abilities to perceive and meet the potential threats to stability through revised policies. The various governments are not entirely oblivious to the problems posed by the expatriates. It was to this end that the Kuwaiti government commissioned a Population Policy study as far back as 1972. (14) The study recommended the integration of those non-Kuwaiti Arabs who contributed to the development of the country. Furthermore, it called for unconditional citizenship to all offspring of expatriates born in Kuwait. It also suggested citizenship for all educated and highly skilled Arabs who have emigrated from the Arab world. Finally, the study proposed the extension of full social benefits to non-Arab expatriates.

So far, the government has not implemented any of these recommendations. There is a great debate over the population issue. Much traditionalist concern has been expressed over the possibility of Kuwaitis' experiencing a quantitative or qualitative decrease in benefits if forced to share them with such a great number of expatriates. Given Kuwait's oil revenues, this would seem unlikely. Nevertheless, so far, there has been no change in citizenship policies.

The existence of instability seems to be further confirmed by the V-curve hypothesis. This states that the greater the change in a given society whether it be for better or for worse, the greater the socio-political instability.

Thus, we may deduce that there is a given instability potential in the countries in question, merely because of their transitional process toward modernity. We feel that this instability potential may be greatly increased in magnitude by the politico-economic inequalities between expatriates and natives.

The present expatriates, who in essence are permanent members of the population, have numerous behavioral options available in relation to the inequalities they face. Their views must be examined in the light of their feeling of relative deprivation as a suitably expressive medium of their discontent.

The relative deprivation concept is a combination born out of Marx's "degradation pattern" and DeTocquevilles "rising expectations" concepts. (10) In simple terms, it states that as a gap between a group's value expectations and value capabilities increases, it will at some point reach an unbridgeable point leading to political violence. For our purposes, we are interested in the politico-economic gap between the expatriate and native populations.

Today's expatriates still regard themselves as foreigners. Therefore, their perception of the gap is most likely to produce two reactions. The highly skilled technical and professional workers who have gained the experience that will make them equally employable in other countries where the long term benefits (retirements, social security, etc.) are greater than in the Gulf states in question, will probably leave. As a matter of fact, this has already happened in some cases according to Kuwaiti press reports.(11)

From the presented theories, it could be deduced that those expatriates electing to stay (because compared to the outside, they are still better off) will become increasingly aggressive as their value expectations continue to rise, but their value capabilities are frustrated by the imposed inequalities. However, this will most likely not be the case at all. Ada Finifter and more recently, Edward N. Muller have demonstrated the importance of considering perceptions of political normlessness and political powerlessness along with the traditional relative deprivation perception in analysis of the overall existence of instability. (12) By political normlessness, we mean a given group's perception of effectiveness and equity of the political authority in exercising its control. By powerlessness, we mean the perceived ineffectiveness of the same group to bring about political change in face of the ruling authority.

The preference given by the labor laws to the employment of Kuwaitis means that 26 percent of the EAP has first choice for the most lucrative jobs. The labor laws also discriminate in the absolute sense (regardless of "Kuwaiti" and "expatriate" distinction) between the private and government sectors. The workday in the former is 8 hours while in the latter it is only 6 hours. (7) The generalist education policies followed until recently are an added factor in preparing young Kuwaitis for some sort of white collar jobs.

This very bad incentive structure leads to the situation where most Kuwaitis who are willing to work select lucrative and easy-going government jobs taking full advantage of their privileged position, while all the difficult and yet often more productive employment is left to expatriate labor. Practically no Kuwaiti is willing to do any menial labor whatsoever.

But there are further inequalities. In the area of salaries, for example, there are gross differentiations. The monthly salary of a Kuwaiti school janitor is 258 KD, almost three times higher than the 91 KD, salary of a non-Kuwaiti school teacher. (8)

Kuwaitis are entitled to a monthly government subsidy provided from oil revenues, free health care, free education, social security, and retirement benefits. Low income Kuwaitis are entitled to free housing, while the middle income are given free land and favorable loans for construction purposes. Non-Kuwaitis are entitled only to free health care and education. They do not receive any housing assistance yet their salaries are lower than the natives in comparable employment.

These inequalities also exist in Qatar and the United Arab Emirates. Though these countries do not have as elaborate a social welfare system as Kuwait does, nevertheless, there are similar salary and employment differentiations, and political rights inequalities. (See figures 9 and 10).

The question that now remains is what effect these inequalities will have if they remain persistent. Kuwait, Qatar, and the United Arab Emirates are modernizing societies in transition. Ivo K. and Rosalind Feierabend have demonstrated that in the transitional process of modernization, there exists throughout, a gap between aspirations and achievement. The gap is greatest at midpoint, that is, at the point of greatest systemic frustration. Systemic frustration is the inability to achieve aspirations within the system. It is greatest at the midpoint of the modernization process because at that point there is equilibrium between the drive towards tradition and the drive towards modernity. Hence, it is at this point that all aspirations in the absolute sense are met to the LEAST degree. Once the midpoint is passed, the gap lessens, but it is there through the process. Hence, it can be said that instability exists throughout the period of transition, as long as there is a condition of systemic frustration.(9)

that whereas in the fifties and early sixties, the expatriate pyramid was highly skewed in favor of males, it is now evening out. This has been assessed as evidence that expatriate labor is becoming more permanent in nature, since foreigners are establishing families in increasing numbers and are not coming to Kuwait for only temporary periods of employment with the purpose of accumulating substantial savings and then returning home.(4) (See figures 8 and 8 B).

The data presented so far shows that the expatriate population in the countries in question is greater than the native population. Furthermore, expatriates dominate the labor force. Foreign labor is especially evident in the "Highly Skilled Technical and Professional" and the "Unskilled Labor" categories. There is a clear dependence of all three countries on foreign labor for the orderly functioning of their economies and future development.

There is, however, one more decisive point of inquiry for the purposes of this analysis. The expatriate labor force is in a position of significant negative economic and political inequality in relation to the native population in all of the countries. The question of inequality and its future management is in our view a key element in terms of stability.

Inequalities are rampant and gain expression through numerous economic and political means. Kuwait for example has two classifications for citizenship. First class citizens are people who themselves or their predecessors have lived in Kuwait since 1920. These people have full political rights, they may vote for the National Assembly, the municipalities and they may hold public office. Second class citizenship applies to people residing in Kuwait since 1945. They may vote, but they have no right to public office. Non-Arabs have had to reside in Kuwait since 1930 to be eligible for second class citizenship. (5)

According to Kuwaiti labor law, both in the government and private sectors, Kuwaitis have first preference for employment, Arab nationals have second preference, and non-Arab foreigners come last. Under Article 72 of the Labor Law, non-Kuwaitis may not form trade unions. They may join Kuwaiti unions only after 5 years of employment under the jurisdiction of the union they wish to join. But non-Kuwaiti membership does not carry the privilege of voting or holding union office. (6)

These facts mean, in effect, that since in terms of political rights permanent resident non-Kuwaitis have to be included in the total population, 53 percent of the population has no political participation rights. Secondly, 74 percent of the EAP has no voice in the unions. They may join after 5 years, and may pay their dues, but have no direct voice in running the unions, or in actions taken by the unions.

more benefits for natives in return for less input than expatriates. This further reduced the native incentive to function in the various labor sectors, making the expatriate labor force a permanent feature.

The source of expatriate labor presents a tripartite distinction. The surrounding Arab nations with a labor surplus provide the majority of unskilled labor. A second major source are the Palestinians displaced in the Arab-Israeli dispute. In Kuwait, for example, they constitute 37 percent of the foreign population. Many of them have been educated abroad. The majority of this group is employed in the skilled and professional categories. The third source of expatriate labor is hard to define geographically. This group is exclusively made up of highly trained, skilled workers and professionals. The majority can be traced in general terms to the industrial nations of Europe, to India, and Pakistan, but they come from all nations, developed or developing, where they are underpaid or underemployed relative to their training and to the personal economic benefits they can gain in the Gulf states. (See figure 1.)

The constant labor influx has led to the following startling facts. In Kuwait, 53 percent of the population and 74 percent of the Economically Active Population (EAP) is expatriate. The greatest percent of foreigners in relation to Kuwaitis is to be found at the top and bottom of the labor market's sectorial division. Eighty-five percent of the highly skilled professional and technical and 86 percent of the unskilled labor force is expatriate. The proportion in the other sectors amounts to about a 60-70 percent expatriate majority as well. In government employment, the ratio is the lowest, but even here foreigners constitute 53 percent of the labor force.(1)

In the United Arab Emirates and Qatar, the situation is much the same. Though there is little reliable data available, some general observations can be made. Roughly two-thirds of the population in these areas is foreign. In Qatar, 83 percent of the labor force is expatriate. The ratio is only 57 percent in the United Arab Emirates. However, the two oil producers within the Emirates, Abu Dhabi and Dubai, with 83 percent of the EAP expatriate, present a picture conforming more closely to the Kuwaiti and Qatari pattern. (2) For our purposes, Abu Dhabi and Dubai are the important states because they are on the same development path as the other countries in question while the rest of the Emirates are quite stagnant on the subsistence level.

The total population in all the Gulf nations in question has been experiencing a steady growth rate of 9 percent since the early fifties. (The generally accepted natural increase is 2.5 to 3.5 percent.) This, of course, is due to the increasing expatriate labor force. In Abu Dhabi and Dubai, for example, it increased by 17 percent in 1972 alone.(3) (See figures 2 to 7).

In Kuwait, its growth rate has decreased since the fifties, but is still at 4.5 percent. The Kuwaiti population pyramid provides data indicating

EXPATRIATE LABOR IN THE ARABIAN GULF :  
PROBLEMS, PROSPECTS & POTENTIAL INSTABILITY

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Ever since the small oil-rich nations of the Gulf area stepped on the path of rapid economic development, they have been suffering from an acute labor shortage in every sector of their economies. This led to the massive importation of expatriate labor. Today in Kuwait, Qatar, and the United Arab Emirates, expatriates outnumber the native population. It is even more significant that foreigners make up roughly three-fourths of the labor force in these countries.

The effects of this phenomenon cannot be ignored. This paper first examines the main characteristics of the imported labor force in terms of size, distribution, socio-economic benefits, and rights. Secondly, with an eye on the future, we will attempt to assess the impact of foreign labor in terms of socio-political instability potential. Defining the various policy options available to the governments in terms of future development and in relation to foreign labor, we finally offer a number of hypotheses that present social instability as a function of the available policy alternatives.

Our object is not to provide solutions. The data presently available do not permit that. Instead, we wish to identify a problem mostly ignored by many who have direct or indirect interests in the Gulf. We form our hypotheses with the goal of stimulating further research.

The influx of expatriate labor into Kuwait, Qatar and the United Arab Emirates began in the late nineteen fifties when oil income started to rise significantly. The increasing revenues provided for ambitious development projects which in turn generated a rapidly increasing demand within the service economy as well and created an acute labor shortage. The local manpower was unable to meet these demands for a number of reasons. There were deficiencies in training, education, and motivation. Even in terms of sheer numbers, had the total labor force been put to work, it would not have filled all the newly general jobs. The gates were opened for a flood of expatriate labor. As the benefits of oil revenues began to be felt, differentiating governmental allocation policies provided

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