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Migration Policies and Challenges in the Kingdom of Bahrain

**By
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Migration and Refugee Movements in the Middle East and North Africa

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Discussion Paper

Migration Policies and Challenges in the Kingdom of Bahrain

I. Historical Overview of Migration in Bahrain

Although small in terms of land area,¹ Bahrain has long and rich traditions in terms of human migration throughout its ancient and modern history. Several natural, socio-economic and political factors have contributed toward making Bahrain a destination of regional as well overseas migration. Archeological evidences from the ancient civilization of Dilmun 4000 years ago are witness to dynamic trade relations between Bahrain and its neighboring regions, and human migration was an active force strengthening the role of cultural and economic interactions between the people of the Gulf and other civilizations. In the last century until the mid of the 20th century, Bahrain has emerged as an important pearl trading center which has encouraged migration to the island from different parts of the Arabian gulf as well as Africa and the Indian sub-continent. These waves of human migration to Bahrain have enriched the cultural identity of its people, strengthened its economy and provided a suitable basis for integrating within the international community.

In the past centuries, migration to Bahrain was driven by economic factors often combined with the aim of final settlement in the country. Beginning in the mid-1930s, and as a result of oil discovery, the nature and impact of migration to Bahrain has changed radically leading to qualitative and quantitative transformation of the society. At the core of the migration process is labor migration. In this paper, we will focus our attention on labor migration mainly for reasons relating to data and information

¹ Bahrain is an island country with a land area of 665 km².

availability and due to its crucial role in the overall migration process. Although Bahrain shares many characteristics in labor migration with its neighboring countries, there were certain specific migration patterns that relate to Bahrain labor market conditions, its size and structure. Among the examples of Bahrain specificity in migration is the modest share of Arab migrants compared to other GCC states. In order to comprehend the true nature of the volume, growth rate and composition of migrants to Bahrain, it is essential to clear any ambiguity related to the use of the term “migrant.” This has methodological implications on understanding the migration process and any problems it currently faces.

On the Definition of Migrant

Migration is a term that can contain different forms of human mobility between countries. These different forms of migration have been reflected in a variety of terms attempting to describe the different content and meaning of each form. Using a certain migration terminology is not a linguistic exercise; it has a crucial role in policies dealing with it, and is often based on a certain paradigm guiding the comprehension of the migration process. If we take the United Nations definition for example, we note that it neither lends the migration process a positive nor negative meaning. It is a descriptive term that sees the migrant as “any person who changes his or her usual country of residence.” Further to that and in order to take into account the increase in short-term international movements, long-term and short-term migrations have been taken into account separately.² A long-term migrant is a person who moves to a country other than that of his or her usual residence for a period of a year (12 months), so that the country of destination effectively becomes his or her usual country of residence.

A short-term migrant is a person who moves to a country other than his or her usual residence for a period of at least 3 months but less than a year (12 months), except in cases where the movement to that country is for purposes of recreation, holiday, visits to friends and relatives, business, medical treatment or religious pilgrimage.

² UN (1998) Recommendations on Statistics of Migration, Revision 1, New York and OECD (2000), Trends in International Migration, Annual Report 1999, Paris.

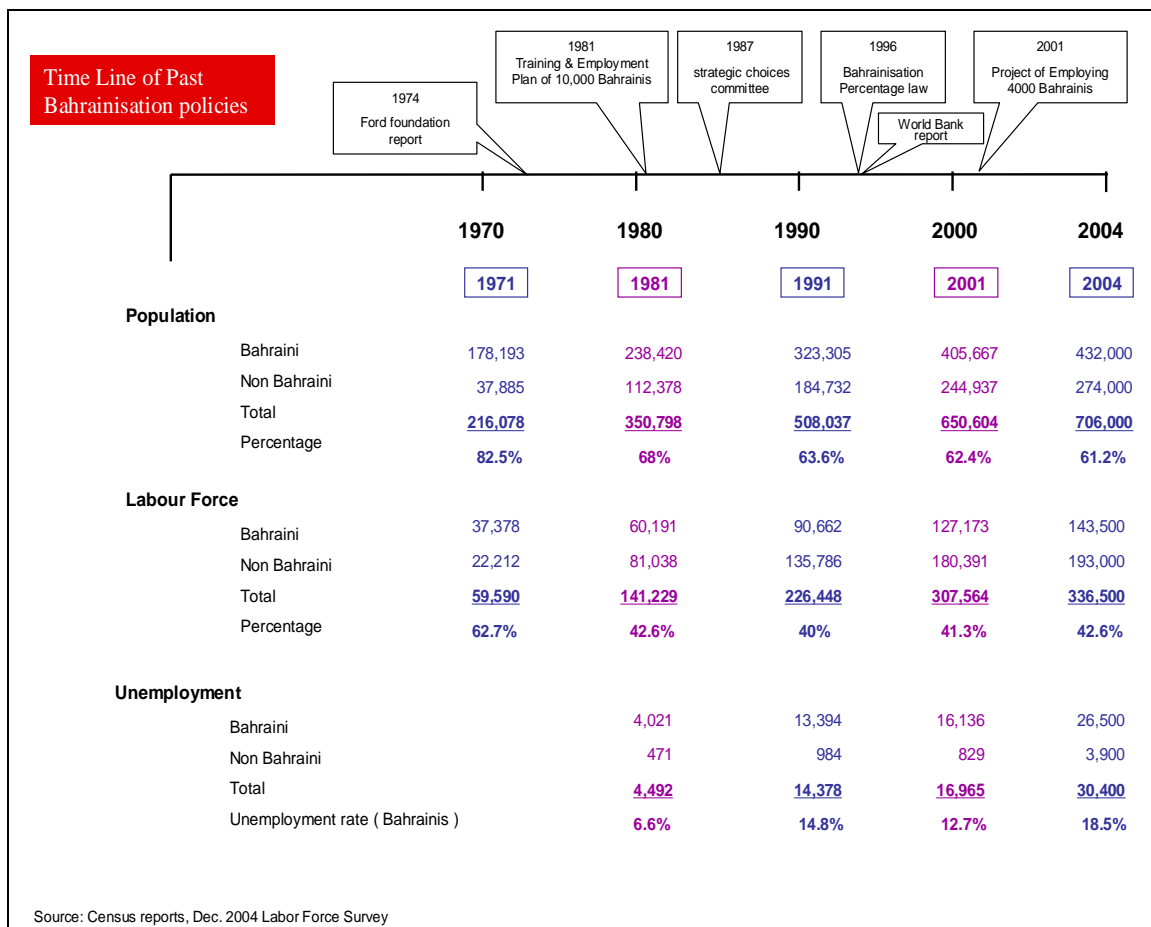
However, these concepts are neither being used nor applied in the GCC states, due to an over-sensitivity toward the term migrant. This can effect the way we research migration in this part of the world. In Bahrain, the term migrant and migration are not being used both at the legal and public policy levels. Instead, the terms “guest workers” or “non-Bahrain nationals” are synonymously used. On several occasions, it was announced by officials in the Ministry of Labor and the Ministry of Foreign Affairs that the presence of foreign workers in Bahrain does not mean that they are migrants. A similar approach is being followed by other GCC countries. However, it is not the term of migrant that has an impact; the policies, rather, resulting from the use of the term is the real problem. One example is the absence of any publicly known special “schemes” or provisions for permanent settlements and gaining the citizenship status. Although Bahraini citizenship law clearly states the conditions under which the person is eligible for Bahraini citizenship, which often under specific circumstances (children born to a Bahraini mother and no Bahraini father; defining minimum staying period, etc). The absence of a formal and legal acknowledgement of the term migrant makes it difficult to research and study the migration process and to identify special cases within the migratory process. All the classifications used in administrative records, be it work-permit data or Ministry of Interior data treat the status of migrant categories as temporary. Statistical sources such as census and surveys also use the term “non-Bahrainis” to describe foreign populations in the country, although it should be noted that the census data does provide more in-depth information on migrants, especially the tables on length of stay in the country. This reduction in foreign inflow into the country to a perceived temporary nature” does not reflect the realities on the ground nor helps in solving any problems resulting from the temporary nature of legalizations and government procedures dealing with migration.

II. Early Migration to Bahrain

Major milestones from the period of 1930 to 1970 were the discovery of oil and establishing the first ministries and other state organs. The growth rate of the population from 1941-1950 was 2.6% and continued to increase to reach 3.6% during 1965-1971. In

two decades, the number of the foreign population rose from 18,207 in 1950 to 37,886 in 1971.³ The high numbers of migrants at that time among Omani migrants (10,758 in 1971) which suggest that inter-regional migration played an important role. We also note the beginning of the increase of migrants from the Asian sub-continent in this period.

Since the mid-1970s, migration in Bahrain has entered a qualitative and quantitative new stage in its development which can be deduced from the following chart.



From the timeline, we can follow two processes: mainly the growth of migrant workers stock and the impact of “Bahrainization” programs on the inflow of foreign workers. Milestones during the period 1974 to 2004 are:

³ Department of Economic and Social Affairs – Population Division – Levels and Trends of International Migration to Selected Countries in Asia. New York, 2003. Page 14.

1. The 1974 Ford Foundation report was the first attempt to assess the labor market situation scientifically. The study which was submitted to the cabinet at that time, estimated that the Bahrainization levels would reach 68% by the 1980s. A couple of months after submitting the study, the world faced the first oil crisis and the dramatic increase in its price.
2. In the early 1980s, the government initiated the so-called project 10,000, which was mainly a training and employment scheme aimed at placing the young Bahrainis entering the labor market in various jobs within the private sector.
3. In the mid-1980s, the Bahrain government initiated a “Strategic Choices Committee” with the task of finding solutions to the newly emerged unemployment problems among the Bahrainis. It was the first time that labor market issues were dealt within an overall macro-economic framework.
4. In 1994, a team from the World Bank conducted research on the challenges facing the Bahraini labor market. The report highlighted the importance of labor cost factors in the Bahraini labor market.
5. In the same year, the Bahrainization percentage law was issued. It was based on the assumption that a 5% annual increase in Bahrainization percentage in the private sector can help in solving the unemployment problem.
6. By the beginning on 2001, a new project of training and employing 4,000 in the year 2001 was launched by the Ministry of Labor and Social Affairs. It was a combination of wage subsidy for Bahraini placement and training programs at the enterprise level.

If we see the development of migrant workers inflow into the labor market, we can easily notice that the different policies and programs attempting to find Bahrainis jobs at the private sector and reducing the size of foreign workers has not reaped any adequate results. We can specify the results of the policies of previous decades against set objectives as follows:

Bahrainisation Impact assessment		
selective indicators		
What we wanted	What we got	
Objective	Indicator	Value
Limit the supply of expat workers .	Average annual growth rate of non-Bahraini workers in the private sector during the period 2001-2005	13.1%
Create jobs of Bahrainis .	Average annual growth rate of Bahraini workers in the private sector for the same period	4.9% (for men = 4.0% and women = 7.7%)
Protect Bahrainis from losing the jobs .	Percentage of dismissal complaints to total Bahraini complaints in year 2005	76 %
Reduce Unemployment among Bahrainis	Unemployment rate of Bahrainis	18.5% (2004 LFS)

Sources: Bahrain labour force survey 2004 – Bahrain establishments survey 2006.

A combined effect of the sponsorship system and the heavy reliance on unskilled, “cheap wage” migrant workers have reproduced the demand for foreign workers. It is, therefore, an illusion to reduce the numbers of migrants when the demand for them is becoming stronger. There are two factors effecting the demand for migrant workers: first, the economic demand in terms of existing skills shortages. Secondly, the demand created by the so-called “hidden market.” Often, the migrant becomes subject to exploitation especially the vulnerable groups among them such as construction workers and domestic

female migrant workers. The first group is subject to tough working condition; this stands in contrast with their positive role and contributions to the construction boom that is currently sweeping the Gulf. The wages received often contradict the contracts approved by the worker in the home country, illegal working hours, unpaid overtime, arbitrary dismissals and fatal work injuries are some examples of the work conditions faced by migrant workers, construction workers especially. Domestic female migrant workers are not covered by labor law. This makes the legal framework for the protection of their rights extremely controversial. Recent efforts have been undertaken by GCC governments to introduce a special law covering domestic workers, but more action is needed in consulting the concerned parties in order to draft this law.

One of the most important areas that increase the vulnerability of migrant workers is the mechanism of gaining employment into the GCC labor market. Migrants are subjected to clandestine forms of exploitations, mainly in the so-called “market in permits” that is highly dependent upon the sponsorship system. This plays an important role in shaping the size and quality of migrant workers to the region, but it has not been integrated so far in research in migration issues. Recent researchers in this area have shed light on this often acknowledged, but less researched form of exploitation of migrant workers.⁴ Based on research conducted by Zacharia, ET Mathew and S. Irudaya Rajan, on “Migration in Kerala State, India: Dimensions, Determinants and Consequences” in the late 1990s, John Willoughby from the American University in Washington D.C. has noted that “Facilitating the entry and maintenance of Asian workers to the Gulf is more than a billion dollar industry.” It involves a network of “Gulf nationals, expatriate business people in the Gulf, and licensed and unlicensed recruitment agents in Kerala.” The total amount of rent taken in 1998 was more likely \$4 billion. Note that this figure does not include the regular payments that workers already in the Gulf must make to sponsors to maintain their employment status.⁵ This requires intensifying the joint activities between sending and receiving countries, especially in using public employment agencies in facilitating

⁴ See for example: Ambivalent Anxieties of the South Asian-Gulf Labor Exchange, John Willoughby, No. 2005-02-March 2005.

⁵ See for example: Ambivalent Anxieties of the South Asian-Gulf Labor Exchange, John Willoughby, No. 2005-02-March 2005. <http://www.american.edu/cas/econ/workpap.htm>, page 25.

unskilled workers and strong law enforcement on private recruitment agencies to prevent them from the possibility of exploiting the migrant workers.

Migration policy challenges must be dealt with an overall labor market policy approach. Furthermore, labor market policies can be better addressed by following a Decent Work approach. **In our view, it is the only way to eliminate any contradictions migration and local labor market policies.**

There are six principal challenges in the four areas of decent work gaps that are in need of urgent actions. They can be illustrated by the following table:

Key Decent work Gaps		Principal Challenges
Employment Gap	Youth Employment	Focusing on more youth oriented employment policies
Rights gap	Workers rights Migrant and nationals. Private & public sector	Implementing rights based labour policies for all workers and in all sectors (public & private).
Social protection	Migrant & nationals Females Domestic workers.	Improving the social protection to migrants. Engendering labour market policies. Extending legal protections to include the domestic workers.
Social dialogue	Tripartism.	Institutionalize the tripartite partnership to include preparation, designing and monitoring of labour policies.

The gaps and challenges mentions in the above table to not intend to cover all challenges existing in the Bahraini labor market, but are an attempt to prioritize the most critical

areas that require action. They can, furthermore, serve as an example of how to apply the decent work approach in policy design.

III. Conclusions

After more than three decades with living with a persistent and continuous inflow of migrant workers to Bahrain, it is important to review the upon the paradigms upon which we relied on in dealing with migration in general and labor migration in particular. This means:

1. Urgent need to update our understanding of the migration driving forces in our labor markets, especially linking it to the **development agenda**, and complementing it with Bahrainization policies instead of treating them as a paradox.
2. Reforming the labor market policies in harmony with other policies such as economic and citizenship policies, to reflect the objective of the development agenda.
3. Improving migration governance by reforming the institutional and legal framework. Special importance lies in eliminating the sponsorship system and strong coordination between admission and integration policies.
4. Active social dialogue in migration policies and other labor market policies and expanding the social dialogue with the sending countries based on mutual respect and benefits.
5. Improving the evidence based approach of the policies by enhancing statistical capacities in producing reliable labor market information, better coordination on

the regional level and global levels, and partnership between research centers in sending and receiving countries.⁶

⁶ Please refer to example of research topics in the annex.

Anenx

I. LMRA Research Agenda 2007-2008

- 1. Outsourcing services versus outsourcing workers:** The research objective is to identify the size and structure of markets for outsourcing services and outsourcing workers via manpower agency. Role of private recruitment services and manpower agencies in Bahrain will be a central theme in the research. Identifying possible obstacles and/or potential benefits for each segment should be combined with a survey with best practices used by other countries in this area. What are the market effects of such kind of services on the job creation prospects of Bahrainis?
- 2. Foreign workers mobility benefits and constraints:** The research will study the impact of foreign workers mobility on the Bahrain labor market and will identify the constraints/benefits for the mobility. What are the different policy options available? How can international standards in this area be applied? What are the legal requirements for mobility? Is there a “Mobility Gap” between Bahraini and non-Bahraini workers? If yes, how can it be tackled?
- 3. Labor cost functions and roles in private sector investment (a micro-economic assessment - case study Bahrain):** The research will focus on the type of functions and roles played labor cost on the behavior of different segments within the private sector in Bahrain. Based on fact, the research will describe the different roles played by the level of labor cost on business behavior. What are the other variables that can strengthen/weaken the role of labor cost on employers hiring decisions? The research will assist the LMRA in its second consultations on fees in mid-2008. It is suggested to outsource the study to an internationally recognized body (the ILO or the World Bank).

4. **Labor market competitiveness: workers versus enterprise:** This research will study the different variables effecting the firms and workers competitiveness within the Bahrain labor market. Identification of these variables and the strength of each one in triggering a market behavior aimed at higher productivity is a core task of such a kind of research. On the enterprise level, the research should analyze the different situation based on the size and economic sector of the enterprise. The outcome of the analysis should provide a policy framework for better support of the employers. On the workers level, the research will study the variables effecting Bahraini and non-Bahraini competitiveness. The outcome should also provide a more efficient policy in key areas of the LMRA mandate, especially the “Expats Work Visa Management.” This research, together with the “Labor cost functions and roles in private sector investment (a micro-economic assessment – case study Bahrain) will assist the LMRA in conducting the second consultation on Bahrainization and fees in mid-2008.

5. **Temporary Work Visa: Evaluation of current practices and options for development:** The research will be outsourced to a professional consultancy body to study the actual and potential demand for foreign temporary worker. A closer look at the possible impact of increased dependency on temporary workers on job creation in the private sector will be crucial in proposing any policy options in this area. The research will identify best practices in this area and recommends the most suitable ways of benefiting from them.

6. **The Market for domestic services in Bahrain: evaluation of current market trends in foreign domestic workers inflow and its impact on the labor market outcome:** The research will be outsourced to a professional consultancy body, and should provide a thorough assessment of the labor demand in this segment and the best ways in managing work visas for domestic services that will start at the beginning of 2009.