

B. Summaries and Presentations

[Return to Workshop I](#)

[Return to Conference Home Page](#)

Session One

Contemporary Socio-Political Issues of the Arab Gulf Moment

Speaker: Abdulkhaleq Abdulla - UAE University

Moderator: Ibrahim Awad - American University in Cairo

This paper introduces the Gulf moment in contemporary Arab history and examines some of the key internal socio-political issues that are at the forefront of the intellectual and academic debate in the Arab Gulf States (AGS). The central questions addressed in this paper revolve around whether much of the new thinking is in essence old thinking. What accounts for the suppressed demand for political reform? How did the business-friendly UAE model manage recently to outshine the more politically mature Kuwait model of development? What are the gains and the pains of going global, and have the AGS transcended their chronic dependence on oil and witnessed the end of the rentier state structure and mentality? The paper concludes that the way the AGS handle these pertinent questions will not only determine the future direction of the Gulf moment but ultimately decide the AGS's ability to reshape the geo-economics and geo-politics of the region, and to set in motion a process for the Gulfanization of the Arab world.

Session Two

How To Spend it: Gulf Oil Wealth, Economic Diversification and the Domestic Energy Challenge

Speaker: Eckart Woertz - Gulf Research Center, Dubai

Moderator: Ibrahim Saif - Economic and Social Council, Jordan

Gulf economies continue to be dominated by the redistribution of oil rent. At the same time there are increased efforts at economic diversification to develop employment intensive industries in order to provide jobs for a growing youth population. With economic growth domestic energy consumption has been skyrocketing. There are increasing trade-offs between domestic energy demand and export needs that can only be ameliorated by improved energy efficiency and pricing schemes. A modified energy mix in the GCC countries that could include renewables and nuclear energy is also contemplated. The talk takes a look at some macro-economic developments in the GCC and how the domestic energy challenge relates to economic diversification strategies. There are high expectations that the latter could remedy some of the socio-economic challenges that the GCC countries are facing, but definite outcomes are far from certain. The role of Sovereign Wealth Funds (SWF) in long term development and asset allocation of Gulf countries is given special attention and it is argued that their importance will decline at the expense of strategically positioned GCC companies and private equity funds that have the ability to engage in international acquisition.

Session Three

The Civil Society Movement in the Arab Gulf States

Speaker: Sultan Soud Al-Qassemi - Dubai School of Government

Moderator: Rima Sabban - Zayed University, Dubai

At first glance it seems as though the six Gulf Cooperation Council monarchies have no civil society movements to speak of, but scratching the surface unveils a complex layer of organizations that exist side by side with the governments and in some cases have been merged into governmental structures. The paper provides an overview of the civil society scene in the GCC countries and the variations in their focus, activities, outreach, and relations with their respective governments. It will explore the reasons that have impeded the development of a viable civil society in most countries in the region, including the rise of Islamic movements, a continuous stride for capitalism, and a media establishment that contributes to a feeling of apathy in the younger generations.

Session Four

Do Demographic and Social Development Dynamics in the GCC Facilitate the Nationalization of the Labor Force?

Speaker: François Farah - United Nations Population Fund

Moderator: Nasra Shah - Kuwait University

Do demographic and social development dynamics in the GCC countries facilitate the nationalization of their labor force? How about the many dichotomies associated with this objective? Massive labor migration to the GCC countries originated primarily from within the Arab region (74% of migrants came from Arab countries in 1975). This percentage has significantly declined ever since to reach a low percentage of 28% in 2005. This decline, however, was not the result of an increased nationalization of the labor force but a replacement of Arab migrants with skilled and non skilled migrants coming primarily from South and Southeast Asia. The presence of foreign labor has recently reached as high as 81.3%, 81.6% and 89.8% in the total labor force of Kuwait, Qatar, and UAE respectively. Has there been a missed opportunity for the GCC countries to gradually mainstream and integrate their national labor force into their economy?

The presentation will discuss the current and prospective demographic dynamics in the Gulf region and the social and gender factors that could hinder grooming the national human capital required to gradually replace, partially or perhaps totally, the massive foreign labor force. It highlights the challenges of many dichotomies that have so far stood on the way of achieving this national objective, including an evolving young demographic structure and the prospects of declining national population growth; high levels of national unemployment and a labor intensive globalized economy; the social tolerance of the public sector and a liberal profit-driven private sector; the outputs of national education systems and the make-up of the demand and requirements of economic efficiency questioning the extent to which a foreign-managed economy has interest in grooming a replacement by a national labor force; and country specific nationalization interests and prospects for inter Gulf nationalization. It concludes with a plea to further invest in demographic and social development research of how best to mainstream the national labor force into a current and prospective foreign labor dominated economy.

Session Five

Post-oil knowledge: the acquisition of global human capital and the creation of local development capacity in the Arab Gulf States

Speaker: Michael C. Ewers - Texas A&M University

Moderator: Mohamed Al Waqfi - UAE University, Al Ain

Can places attract and utilize global human capital and foreign knowledge through migration, trade, and investment as means to generate local development capacity? This is the experiment in the oil-abundant, labor-deficient Arab Gulf States, which have used their oil wealth to import the human capital necessary to diversify their economies beyond oil. Fueled by the recent (1998-2008) oil boom, the region's governments have undertaken efforts to create new, global hubs for services and for capital- and energy-intensive industries. In stark contrast to the Gulf's local demographic and employment dilemmas, these ambitious post-industrial development plans have stimulated a powerful new demand for expatriates to fill related skill and technology gaps.

Accordingly, this presentation has two objectives. First, it explores how new forms of development capacity, necessary to create and sustain post-oil industries in the Gulf, are acquired in the context of a global labor market. I argue that the Gulf States have sought to leverage their ability to access global human capital markets, learned through the experience of oil development, as a basis on which to construct a post-oil competitive advantage. Second, this paper studies the circulation of knowledge in the Gulf, to understand what happens to global human capital once it is imported. I argue that Gulf strategies to attract global knowledge flows have not been accompanied by public and private incentives for knowledge transfer from foreign participants to local labor markets. These arguments are developed by presenting results from surveys conducted with 300 foreign and local firms from throughout the Gulf region and key-informant interviews undertaken with 30 representatives of firms in Abu Dhabi and Dubai.

Session Six

Labour Nationalization in a Globalized World: the GCC Context

Speaker: Mohamad Dito - Bahrain Labour Market Regulatory Authority

Moderator: Nadereh Chamlou - The World Bank

The presentation is divided into four parts. First, it will provide a historical brief of the evolution of the concept of labour nationalization in the GCC states with a review of the political, legal, and institutional frameworks that shaped this concept and its growth into a dilemma during the last decades. Second, it will examine the problematic nature of this concept and tackle the following questions: why is it still a dilemma? And what are the evidences (indicators) of such dilemma? The third part will focus on the causes of the nationalization dilemma arguing that it is a conceptual problem relating to its nature as a certain form of the so-called wicked problems. The analysis will include a consideration of various relevant issues, including: visible versus invisible causes of the dilemma; the socio-political and economic factors that affect the way we comprehend and assess labour nationalization; clashes between aims and means; official statements on the objectives of labour nationalization versus policies and programmes applied to achieve them; the role of the welfare state in the region and its future prospects; lack of a development vision and of policy coherence between different state agencies and ministries; and consequences of identity crises and the nature of citizenship in the GCC countries in dealing with the issue of labour nationalization. The fourth part will conclude with an exploration of the issue of solving the problem versus taming the challenge.

Session Seven

Labour nationalization in the GCC: interventionist vs. market-driven approaches

Speaker: Steffen Hertog - London School of Economics

Moderator: Habibul Haque Khondker - Zayed University, Abu Dhabi / Institute of Micro Finance, Bangladesh

The presentation will provide an overview of the main mechanisms that have been used for labour market nationalization in the Gulf, as well as the obstacles faced and unintended consequences produced by them. Special focus will be put on quota mechanisms, reservations of specific job categories to nationals, and wage/training incentives. The presentation will analyze how these various mechanisms have led to illegal markets in visas and administrative certificates as well as a number of other enterprise-level avoidance mechanisms. All these phenomena thwart the effectiveness of the official policy, often create rent-seeking opportunities, in almost all cases create significant deadweight losses for business, and further undermine the regulatory and information-gathering capacities of already weak national labour administrations.

An attempt will be made to estimate the size of the "free visa" market in various GCC countries, based on which the presentation will assess political obstacles to more market- and price driven nationalization strategies as attempted--~~although only timidly~~--in Bahrain and a lesser extent Oman. The presentation will conclude with observations on various policy options that, instead of trying to impose nationalization by fiat on an unwilling private sector, would create economic incentives for employing nationals by creating an integrated private labour market in which nationals and expatriate can compete on a level playing field.

Session Eight

A Psychological study of Nationalization in the GCC: Gender, Power, and Identity

Speaker: May Al-Dabbagh - Dubai School of Government

Moderator: Lawrence Wu - New York University

This work adopts a micro-level perspective on school-to-work transitions in the GCC and applies a psychological analytical lens to understanding nationalization processes through a series of both qualitative and quantitative/experimental studies. Qualitative research conducted with bilingual interviewees in Saudi Arabia showed that the privatization of educational institutions has facilitated for the acculturation of university students with Global/Western beliefs and values. This finding was replicated quantitatively in a study which examined the gendered effect of language-culture primes on the propensity to initiate a negotiation in the context of a hypothetical job interview. This study showed that bicultural men and women describe their negotiation experiences differently depending on the culture primed: While men's propensity to initiate a job negotiation is significantly reduced in the global condition, that did not hold for the women. Two further experimental studies conducted in the UAE and Saudi Arabia explored the gendered effect of priming 'global culture' on evaluations of job candidates. Results showed that stereotypes of the male and female university graduates vary depending on whether they are entering the global (e.g., multinational) or local (i.e., domestic Saudi Arabian) job market. Whereas Emirati women's status rises in the global job market, Emirati men's status declines. In the second study, bilingual (Arabic-English) Emirati participants were presented with a script of a candidate in a job interview and randomly allocated participants to one of eight conditions in which the candidate was male or female, negotiated or not for higher compensation, spoke in Arabic or English (priming local vs. global cultural associations). As predicted, gender differences in the social costs of negotiating for higher compensation were greater in Arabic language (local culture) than English (global culture) condition. Arabic-speaking female job candidates were evaluated significantly more negatively for having negotiated for higher compensation than were Arabic-speaking male job candidates. Research findings will be discussed in the context of labor market nationalization policies and globalization processes in the GCC.

Session Nine

Structural Challenges to Emiratization

Speaker: Jasim Ahmed Mohamed Al-Ali - Department of Economic Development, Dubai

Moderator: Ingo Forstenlechner - UAE University, Al Ain / Federal Demographic Council

Decades of rapid development on the Arabian Peninsula attracted numerous migrant workers who now dominate the GCC labour markets. As a result, GCC nationals, especially in the UAE, have a few job opportunities, hence high unemployment rate. This presentation, therefore, aims to identify factors that could possibly augment the placement and retention of UAE nationals in the workplace. It proposes a feasible strategy for greater job opportunities for Emiratis and the achievement of increased work participation. Through a theoretical framework, this paper presentation will employ three aspects of capital theory: human capital, such as education, skills, and experience; social capital, such as gender inequality, nepotism, and trust; and organizational capital, such as culture and human resource management (HRM). It will conclude with policy recommendations that would enhance Emiratis' employment participation.

Session Ten

Employment trends and youth unemployment in the GCC Countries: What we know and what we can do

Speaker: Nada Al-Nashif - International Labour Organization

Moderator: Jamal Zarrouk - Arab Monetary Fund

Jobs and quality jobs or decent work are the primary social demand across the region and the essential elements for realizing inclusive and sustainable growth and a fair globalization. This session will summarize the workshop's findings regarding the key challenges faced by GCC countries youth entering labour markets. It will discuss recent labour market trends as well as a range of policy and programmatic experiences around the region. It will look at key obstacles to positioning today's young population in GCC countries as a transformative engine of future sustainable and equitable growth. The presenter will examine the readiness of national economies in meeting the requirements for sustainable growth based on the principles of decent work. The presentation will argue that success in tackling the many youth employment challenges facing the region will be dependent on a diversified and growing economy in which employment creation is a priority macro-economic policy goal. Recent empirical work undertaken by the ILO has shown that rethinking of macroeconomic policies will require a much closer articulation of the established fiscal and monetary tools with employment and social policies. This future scenarios will require scaled-up and policy integrated engagement by all economic actors, supported by robust value structures, refined environmental awareness linked to economic growth as well as bold political leadership. The session will also debate what aspects of regional integration and (public-private) partnerships can best facilitate the creation of more and better jobs for GCC youth.

Concluding Session:

Emerging initiatives and future employment opportunities in the MENA

Speaker: Nadereh Chamlou - The World Bank

Employment prospects & the required economic reforms in the GCC

Speaker: Jamal Zarrouk - Arab Monetary Fund

Concluding remarks and future workshops

Speaker: Samira Atallah - New York University

This session will address some prospective initiatives and their potential implications. The workshop will end with reflections on the issues raised and conclusions drawn.