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CONTEMPORARY INTERNATIONAL MIGRATION AND  
HUMAN RESOURCES DEVELOPMENT IN THE ARAB REGION:  
BACKGROUND AND POLICY ISSUES

by

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79-2749



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## I. INTRODUCTION

This paper comprises a brief summary of the nature and extent of international migration in the Arab region, and enumerates problems that it has caused in the field of human resources development. The paper argues that these problems and the development of the region's human resources are best tackled from a regional perspective.

Empirical components of this paper are drawn from the work of the International Migration Project, which was commissioned by the International Labour Office in April 1977. The project lasted two years, and was a study of contemporary patterns and processes of labour movement in the Arab region.\* Readers interested in a fuller treatment of results should consult the published sources (Birks and Sinclair 1978a, 1978c, 1978b, 1979e, n.d.2). The qualitative analysis of problems of human resources development presented in part III summarizes work undertaken by the Education and Labour Market Policies Branch of the International Labour Office on the derivation of a regional manpower programme for the Arab region (ILO 1979).

## II. THE BACKGROUND TO INTERNATIONAL MIGRATION

The Arab Middle East can be divided into capital-rich and capital-poor states (Mabro 1975; Birks and Sinclair n.d. 2). The former have a gross national product per capita in excess of \$1,000 (1977), while the latter have much lower levels of income per capita. International migration takes place essentially between these two groups. In the capital-rich group are found Saudi Arabia, Libya, Kuwait, Bahrain, Qatar, the United Arab Emirates, Oman and, to some extent, Iraq. In the capital-poor we include Egypt, Sudan, Morocco, Tunisia, Lebanon, Jordan, Syria, and Yemen.

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\* The study referred to here was undertaken in the Research Programme on International Migration and Employment of the World Employment Programme, ILO. Views expressed in this paper are not necessarily those of the ILO or any other organization with which the authors are or have been associated.

The prevalence of unemployment and underemployment among the relatively large workforces of the capital-poor states, together with the small indigenous workforces and ambitious development plans of capital-rich states were the pre-conditions of the active labour migration system which has characterized the Arab world since oil was found. Since the 1950s there has been a steady transfer of labour from the capital-poor to the capital-rich states within the Arab world.

The demand for labour in the oil-exporting states reached a new pitch after 1973, when the new rate of economic development ensued. After this time, the demand for labour was both qualitatively and quantitatively extensive, providing the workforces essential to such rapid development programmes. The scale of migration was transformed as a consequence. So small are the indigenous workforces of oil-rich states that today the migrant workers represent almost the entire workforce in some cases. In some sectors of the economy requiring specialized skills, immigrants do comprise the entire workforce.

Similarly, the scale of transfers of labour are such that substantial proportions of the labour forces of some of the capital-poor states have been exported.

Table 1 illustrates the extent to which non-national labour contributed to the labour forces of the capital-rich states in 1975. Even in the largest economy and labour market -- that of Saudi Arabia -- expatriate workers account for more than 40 per cent of the economically active. The countries with smaller economies, Kuwait and the United Arab Emirates, rely on migrant labour to the extent that 69 per cent and 85 per cent respectively of the labour force are non-national. Qatar, the smallest economy, depends upon a labour force in which more than four out of every five workers are expatriates.

The large majority of migrant workers in 1975 were Arabs. Table 2 shows that in the principal countries of employment Arabs accounted for 75 per cent of all migrants, Asians 17.6 per cent, Europeans 2.1 per cent, and "others" about 5 per cent.

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Table 1    Employment by Nationality in Capital-Rich States, 1975

State	Nationals' employment	Per cent of total	Non-Nationals' employment	Per cent of total	Total employment
Saudi Arabia	1,026,500	57.0	773,400	43.0	1,799,900
Libyan Arab Jamahiriya	449,200	57.5	332,400	42.5	781,600
Kuwait	91,800	30.6	208,000	69.4	299,800
United Arab Emirates	45,000	15.2	251,500	84.8	296,500
Bahrain	45,800	60.4	30,000	39.6	75,800
Qatar	12,500	18.9	53,800	81.1	66,300
Total	1,670,800	50.3	1,649,100	49.7	3,319,900

Source: Birks and Sinclair (n.d. 2, table 8).

Table 2 Migrant Workers by Ethnic Origin and Country of Employment, 1975

State	Ethnic Origin										Per cent of total column
	Arab		Asian		European		Iranian, Turkish migrant workforce African and other total				
	No.	Per cent of state total	No.	Per cent of state total	No.	Per cent of state total	No.	Per cent of state total	No.	Per cent of state total	
Bahrain	6,200	20.7	16,600	55.3	4,400	14.7	2,800	9.3	30,000	9.3	1.8
Kuwait	143,300	68.9	33,600	16.1	2,000	1.0	29,100	14.0	208,000	14.0	12.6
Libyan Arab Jamchiriya	310,400	93.4	5,500	1.7	7,000	2.1	9,500	2.9	332,400	2.9	20.2
Qatar	15,000	27.9	34,000	63.2	800	1.5	4,000	7.4	53,800	7.4	3.3
Saudi Arabia	699,900	90.5	38,000	4.9	15,000	1.9	20,500	2.6	773,400	2.6	46.9
United Arab Emirates	62,000	24.6	163,500	65.0	5,000	2.0	21,000	8.4	251,500	8.4	15.2
Total	1,236,800	75.0	291,200	17.6	34,200	2.1	86,900	5.3	1,649,100	5.3	100.0

Source: Birks and Sinclair (n.d.1, table 9).



Over-all, almost half of all migrants work in Saudi Arabia. Libya, the United Arab Emirates, and Kuwait together account for 48 per cent. Bahrain and Qatar, with their smaller economies, provided employment for 5 per cent of all migrant workers in 1975.

Most Arab migrants (57 per cent) work in Saudi Arabia; this is only to be expected in view of the kingdom's central position in the region, its physical size, enormous oil revenues, commensurate development objectives, and political inclinations.

Together, Kuwait and Libya account for an additional 37 per cent of all Arab migrants. Libya's proximity to poor Arab countries with relatively large populations (Tunisia and Egypt) explains the large number of Arab migrants there. The explanation for Kuwait's large Arab community corresponds to that given earlier for Saudi Arabia. In addition, the length of time in which labour importation has been established is important -- Kuwait was one of the earliest oil exporters to develop. As a result, a tradition of labour migration to Kuwait has established, which ensures a constant supply of Arab labour.

Closer inspection of the characteristics of Arab migrants reveals that in 1975 Egypt, Jordan, and Yemen together accounted for 73.5 per cent of the total migrant workforce (table 3). Most Egyptian migrants in 1975 were working in Libya, though an estimated 95,000 (24 per cent) were in Saudi Arabia. Egypt's proximity to Libya is the chief explanation for their substantial presence there.

Almost all Yemeni migrants work in Saudi Arabia: not only does Yemen border with Saudi Arabia, but in 1975 wages were exceptionally high in the latter country.

Jordanian and Palestinian migrants in 1975 were working mainly in Saudi Arabia, but also in Kuwait, Libya, and the United Arab Emirates. Migrants from this group are generally well educated and consequently highly mobile. They often occupy senior positions in government and business circles.

By 1975 some Asian labour was being used in the Arab world, but on a small scale. Only in the United Arab Emirates and the Sultanate of Oman did Asian labour make a substantial contribution to the labour force in 1975.

Table 3 Arab Migrant Workers in the Arab Region, 1975

Countries of Employment (% from country of origin)	Countries of Origin (% Distribution between Countries of Employment)						
	Egypt (%)	Yemen (YAR) (%)	Jordan and Palestine (%)	Yemen (PDRY) (%)	Syria (%)	Lebanon (%)	
Saudi Arabia (%)	95,000 (23.9) (13.6)	280,400 (96.6) (40.1)	175,000 (66.1) (25.0)	55,000 (77.9) (7.9)	15,000 (21.3) (2.1)	20,000 (40.3) (2.9)	
Libya (%)	229,500 (57.8) (73.9)	-	14,150 (5.3) (4.6)	-	13,000 (18.5) (4.2)	5,700 (11.5) (1.8)	
Kuwait (%)	37,558 (9.4) (26.2)	2,757 (1.0) (1.9)	47,653 (18.0) (33.3)	8,658 (12.2) (6.0)	16,547 (23.4) (11.5)	7,232 (14.6) (5.0)	
U. A. E. (%)	12,500 (3.1) (20.2)	4,500 (1.6) (7.3)	14,500 (5.5) (23.4)	4,500 (6.4) (7.3)	4,500 (6.4) (7.3)	4,500 (9.0) (7.3)	
Jordan (East Bank) (%)	5,300 (1.3) (16.2)	-	-	-	20,000 (28.4) (61.0)	7,500 (15.1) (22.8)	
Iraq (%)	7,000 (1.8) (46.1)	-	5,000 (1.9) (32.9)	-	-	3,000 (6.0) (19.7)	
Qatar (%)	1,850 (0.7) (19.2)	1,250 (0.4) (8.4)	6,000 (2.3) (40.3)	1,250 (1.8) (8.4)	750 (1.1) (5.0)	500 (1.0) (3.4)	
Oman (%)	4,600 (1.2) (52.3)	100 (0.0) (1.1)	1,600 (0.6) (18.2)	100 (0.1) (1.1)	400 (0.6) (4.5)	1,100 (2.2) (12.5)	
Bahrain (%)	1,237 (0.3) (20.0)	1,121 (0.4) (18.1)	614 (0.2) (9.9)	1,122 (1.6) (18.1)	68 (0.1) (1.1)	129 (0.3) (2.1)	
Yemen (YAR) (%)	2,000 (0.5) (85.1)	-	200 (0.1) (8.5)	-	150 (0.2) (6.4)	-	
T O T A L (%)	397,545 (100.0) (30.7)	290,128 (100.0) (22.4)	264,717 (100.0) (20.4)	70,630 (100.0) (5.5)	70,415 (100.0) (3.4)	49,661 (100.0) (3.8)	

Note "-" indicates no migrants for this nationality recorded.  
Source: Birks and Sinclair (n. d. 2, table 10).

Table 3 Arab Migrant Workers in the Arab Region, 1975 (Continued)

Countries of Employment (% from country of origin)	Countries of Origin (% Distribution between Countries of Employment)									
	Sudan	Tunisia	Oman	Iraq	Somalia	Morocco and Algeria	Total			
Saudi Arabia (%)	35,000 (76.3) (5.0)	-	17,500 (45.6) (2.5)	2,000 (9.7) (0.3)	5,000 (76.4) (0.6)	-	699,900 (54.0) (100.0)			
Libya (%)	7,000 (15.3) (2.3)	38,500 (99.6) (12.4)	-	-	-	2,500 (98.2) (0.8)	310,350 (24.0) (100.0)			
Kuwait (%)	873 (1.9) (0.6)	49 (0.1) (0.0)	3,660 (9.5) (2.6)	17,999 (87.3) (12.7)	247 (3.8) (0.2)	47 (0.8) (0.0)	143,280 (11.1) (100.0)			
U. A. E. (%)	1,500 (3.2) (2.3)	-	14,000 (36.4) (22.5)	500 (2.4) (0.8)	1,000 (15.2) (1.6)	-	62,000 (4.8) (100.0)			
Jordan (East Bank) (%)	-	-	-	-	-	-	32,800 (2.4) (100.0)			
Iraq (%)	200 (0.4) (1.3)	-	-	-	-	-	15,200 (1.2) (100.0)			
Qatar (%)	400 (0.9) (2.7)	-	1,870 (4.9) (12.6)	-	-	-	14,870 (1.1) (100.0)			
Oman (%)	500 (1.1) (5.7)	100 (0.3) (1.1)	-	-	300 (4.6) (3.5)	-	8,800 (0.7) (100.0)			
Bahrain (%)	400 (0.9) (6.5)	-	1,383 (3.6) (22.2)	126 (0.6) (2.0)	-	-	6,200 (0.5) (100.0)			
Yemen (YAR) (%)	-	-	-	-	-	-	2,350 (0.2) (100.0)			
TOTAL (%)	45,873 (100.0) (3.5)	38,643 (100.0) (3.0)	38,413 (100.0) (3.0)	20,625 (100.0) (1.6)	6,547 (100.0) (0.5)	2,547 (100.0) (0.2)	1,295,750 (100.0) (100.0)			



In 1975 the majority (57 per cent) of Asian workers in the Arab world worked in the United Arab Emirates (table 2).

Indians and Pakistanis have long been involved in economic development in the Middle East. As traders and entrepreneurs they had existed, in small numbers, under the traditional economic order in the peninsula. In the Second World War they were introduced in substantial numbers as part of the British war effort in the region. Subsequently, Indians and Pakistanis continued to make a contribution to the labour market, becoming associated with certain tasks and established in particular countries, such as Kuwait, Saudi Arabia, and Bahrain. Until 1970, though, numbers of workers in the Arab world from the Asian subcontinent were small, and their participation was informal and spontaneous.

#### A. The heightened demand for labour

In 1975 Arabs provided the majority of migrant workers within the Middle East, some 1.3 million out of a total number of migrants of about 1,700,000.

However, at that time several aspects of the labour market were changing, particularly in response to the transformation of the economics of the Arabian peninsula. The volume of demand for labour was increasing dramatically as spectacular development plans of the capital-rich states were put into operation with enhanced oil revenues, and as industrialization got truly under way.

By 1975 the development plans, redrawn at a new scale after the 1973 price increase, were being implemented. Targets embodied in them were being exceeded. The increased labour demand engendered by this rapid development of the capital-rich states occurred just at the time when Iranian and Iraqi migrant workers were returning home. Iran and Iraq, which had previously supplied a significant amount of labour to Saudi Arabia and the Gulf states, began to develop their own economies; consequently large numbers of Iranians and Iraqis were attracted home by the prospect of opportunities in their own countries.

These changes, the expansion in labour demand and the contemporaneous withdrawal of part of the supply, markedly increased the pressure upon the capital-poor Arab states to supply yet more manpower. This was experienced in the capital-poor states as direct recruiting of labour in Cairo, Amman, and Khartoum by concerns operating in the capital-rich states, and by the

offering of rapidly rising real wages in the capital-rich states. However, by 1975 a relatively high proportion of all potential migrants in the Arab labour-exporting countries was already working abroad.

Indeed, the proportion of workers abroad from Jordan (East Bank), the Sultanate of Oman, and Yemen (YAR) was close to one-third in 1975 (table 4). In Syria, Egypt, and the Sudan, the number of migrants abroad, though forming a small proportion of their workforce, was also close to the potential number of workers who were prepared or able to migrate.

Table 4 Migrant Workers and Domestic Workforces of Labour-Sending Countries, 1975

Country	Size of workforce	Number of workers abroad	Proportion of workforce abroad
Jordan (East Bank)	532,800	150,000	28.1
Oman	137,000	38,400	28.0
N. Yemen	1,070,000	290,100	27.1
S. Yemen	419,600	70,630	16.8
Syria	1,834,000	70,400	3.8
Egypt	10,756,000	397,500	3.7
Sudan	3,700,000	45,900	1.2
Total	18,449,400	1,062,930	5.8

Source: Birks and Sinclair (n.d. 1, table 11).

Nevertheless, during 1975 and 1976, when the opportunities for migrant workers in oil-rich states became even more attractive, increased numbers of workers departed and soon thereafter the actual number of migrants from these states coincided with the potential supply.

The rather limited extra numbers of workers drawn from the Arab-supplying states in 1975-76 fell well short of the requirements of the burgeoning demands of the oil-rich states. As a result, the rapidly industrializing wealthy states had to turn elsewhere for additional supplies of labour.

#### B. The changing perception of capital-rich states

The shortage of Arab labour in the region meant the oil exporters had to broaden their areas of recruitment of labour. The source of labour to which the capital-rich states turned in their search for more manpower was Asia, in particular the Indian subcontinent and the countries beyond.

Since 1973 the migration of Indians and Pakistanis to the Middle East has become more organized through "agencies" in response to the new scale of opportunities represented by the increased demands of the capital-rich states. The consequent growth in the importance of the Asians in the labour forces is exemplified by the data for the Gulf states in table 5.

Within the four Gulf states of Kuwait, Bahrain, Qatar, and the United Arab Emirates, a marked shift in the composition of the labour market was in train by 1975. Between 1970 and 1975, the proportion of jobs occupied by expatriate Arabs fell by 16.5 per cent. The Asians' share of the workforce rose from a quarter to one-half of the total, their numbers rising from 83,900 to 247,700.

Table 5 Workforces of Kuwait, Bahrain, Qatar, and the United Arab Emirates, by ethnic origin, 1970 and 1975

	1970		1975	
	Number	Per cent	Number	Per cent
Non-national Arabs	165,934	51.0	226,350	41.7
Asians	83,869	25.8	247,720	45.7
Iranians, Europeans, and others	75,295	23.2	68,432	12.6
Total	325,098	100.0	542,502	100.0
Nationals	147,560	31.2 <sup>a</sup>	195,115	26.5 <sup>a</sup>
Grand Total	472,658	100.0	737,617	100.0

<sup>a</sup> Percentage of all employment.

Source: Birks and Sinclair (n.d. 2, table 12)

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These Asians were mainly Indians and Pakistanis. Factors behind their increased participation in the Near East labour market are of major significance for economic development in capital-rich and capital-poor states. The demand for labour in the Arab world was changing.

### C. Labour agents in Asia

The most obvious expansion of the role of Indians and Pakistanis in the economic development of the capital-rich states is the one demonstrated in the United Arab Emirates. This increase in the participation of Asians was both a cause and a consequence of the formalization of Indian and Pakistani labour supplies through a series of recruitment and manpower-supplying agencies.

The raison d'être of these "agents", who are private sector entrepreneurs from Asia, is to profit from the opportunities to gain from expanded migration. Representatives of agents, living in the countries of employment, identify employers' labour requirements, and specify skill levels, trades, and numbers needed. They supply these requirements quickly by virtue of having counterparts in India, Pakistan, and Sri Lanka, who have lists of would-be migrants according to qualifications and availability. These applicants are trade tested before being despatched to the country of employment.

Therefore, just at the time when Arab labour was becoming difficult to acquire, expensive, and of less predictable quality at all skill levels (as the potential level of Arab exports was approached), Indian and Pakistani labour of known skills and capabilities became available quickly and easily. This regularization of the Asian-Arabian labour flow by agents, who could above all supply labour speedily, encouraged the rapid increase in utilization of Indian and Pakistani labour in the capital-rich states during their period of most frenetic development.

The governments of the Indian subcontinent tacitly encouraged these labour recruitment agencies in the early period of their establishment -- the advantages to their nations of supplying migrant labour appeared marked. The deleterious aspects of their role did not appear likely to become significant in countries with such large populations and complex economies.

In 1977 and 1978, however, both the Indian and the Pakistani governments intervened in this system of labour recruitment. This intervention came



about mainly in response to abuse of human rights suffered by employees recruited through labour agencies. It is also of note though that some concern has been expressed in Pakistan about shortages of certain types of labour, ostensibly brought about by the scale of labour exporting.

The constraint upon the supply of Indian and Pakistani labour resulting from government intervention encouraged governments to look yet further afield for labour, and this they did, to the Far East. Companies from Korea, Taiwan, Indonesia, and the Philippines began to win large-scale contracts in which they designed, built, and manned industrial enterprises. As a result, the number of workers from the Far East has increased dramatically recently, thus introducing yet another change to the blend of migrant labour in the Arab region.

#### D. Conclusion

The sudden surge of demand for labour in the capital-rich states attracted many Arab migrants from neighbouring states. As a result these capital-poor states also began to experience shortages of skilled manpower and high rates of inflation. In many ways, workers remittances caused this inflation; the money supply rose quickly in economies with limited productive capacities now compromised by the out-migration of skilled labour. There are some indications that the demand for Arab labour may decline in future years as Far Easterners invade the Middle Eastern labour market. Thus Arab labour-sending countries can expect a sharp decline in remittances and a return of their erstwhile migrants.

While the capital-rich states have developed quickly with the assistance of migrant workers, depending heavily upon their services has hindered the development of human resources in ways we now examine more fully.

### III. PROBLEMS OF HUMAN RESOURCES DEVELOPMENT

Human resources development is a key issue for both capital-rich and capital-poor states. In the capital-rich countries, relatively unconstrained as they are with respect to financial capital, it is their human capital which presents the constraint to development. In capital-poor states, providing a source of income for the growing number of labour market entrants is proving harder as time passes. Creating productive employment and managing their labour markets is therefore a key issue.

Because of the physical proximity of capital-rich to capital-poor countries, the pervasiveness of international migration, and the cultural linkages between countries of the region, the economic decisions of any one country affect others in the region significantly. Also, the region divides fairly precisely into the capital rich and the capital poor. Within each group, countries face similar problems of human resources development. There is therefore a strong case to be made for approaching human resources development from a regional perspective, and for two reasons in particular: (1) groups of countries, e.g., the capital rich, all have similar problems with their human resources development. Some of these problems are severe, and there would be considerable benefit from looking at, for example, the problem of motivation as it has occurred in every capital-rich state. Similarly, all capital-poor states have experienced and continue to experience out-migration of labour. Coping with international migration is a problem for them all and therefore it would be advantageous to look at the problem from a regional perspective; (2) the second argument in favour of a regional approach to human resources development is simply that some problems are regional in character.

The sudden demand for labour in capital-rich states created manpower bottlenecks to development in both capital-rich and capital-poor countries. A regional study of the demand for and supply of labour would permit both labour senders and labour receivers to have a clearer idea of the shortages and/or surpluses of labour likely to occur in the region.

We now enumerate some key issues facing countries of the region in the field of human resources development, first in capital-rich states, then in capital-poor states.

#### A. Capital-rich states

Here we identify six key problems which recur in capital-rich states and suggest, in broad terms, ways which countries in this subgroup could profit from a regional approach to human resources development.

##### 1. Manpower bottlenecks

All capital-rich states in the region have experienced either a delaying of their development or additional financial costs as a result of manpower bottlenecks. As the economies of the capital-rich have moved into phase with each other, so competition for a limited pool of skilled manpower has

become intense. By viewing the demand and supply of labour regionally, it would be possible to predict manpower bottlenecks (or surpluses) in advance. Wasteful competition could be avoided, and practical alternatives could be sought to simply bidding up the market price, which has the effect of distorting the labour markets of capital-poor states and being unnecessarily expensive.

## 2. Immigration policy

In the capital-rich states, migrants have come to comprise a large proportion of the workforce and community. Their continued co-operation is essential for further economic development. However, immigration has occurred typically on an ad hoc basis, largely in response to market forces. Little attention has been given to national immigration policies, and, as a result, the swelling ranks of migrant workers are viewed with great concern by many nationals. In some cases, a growing proportion of immigrants share neither language nor religion with the host country. The resulting situation is unstable, since there is a growing conflict between economic forces which require more migrant labour and political concern that national culture and identity may be lost. While dependence on migrant labour is inevitable, a clear policy on immigration would give economic planners a more certain environment in which to plan and would allay fears within the community. Determining an appropriate and feasible migration policy would be easier and more realistic if a regional approach were made to the problem. There would not only be the benefit of learning from the experience of others, but also of avoiding policies which were competitive.

## 3. Education of nationals

All capital-rich states are engaged in rapid development of their indigenous human resources. Despite the large sums invested in education and training, drop-out rates in schools are high and motivation of students is a serious problem. Moreover, certain types of education and/or training are ignored by nationals, e.g., technical education, teacher training, and vocational training. Consideration of this problem in a number of capital-rich states would assist analysis of the problem and design of remedies.

#### 4. Motivation of national workforces

There are signs of decay in the indigenous workforces of the capital-rich states which have extremely serious consequences for their long-term development (Birks and Sinclair 1979e). The causes of a loss of motivation amongst nationals to participate in the modern sector are not well known, though there are clear signs that level of wealth and government employment policies are highly relevant. A study of national employment policies in capital-rich states, as well as an assessment of the value of alternative policies, would help the government planners concerned to arrest this decay.

#### 5. The participation of women in the economy

Not every capital-rich state views the increased participation of women in the economy as desirable, but certain aspects of the potential female workforce suggest that this issue cannot be ignored. Women represent a presently untapped source of labour in economies desperately short of indigenous manpower. Very few women work but those who do are generally well educated. The educational attainment of women is improving all the time, for their access to education is often equal to that of men. Given the social traditions and customs of the region, it would still be possible to suggest ways of increasing female participation, such as altering the working environment. Some capital-rich states have already undertaken some tentative steps in this direction. For example, Bahrain uses female teachers for the first few years of boys' primary school education. The scope for enterprise and initiative here is enormous, and the economic rewards to increased employment of women are very high (Birks and Sinclair 1979d).

#### 6. Dualism in the labour market

Two types of dualism are found in the labour markets of the capital-rich states. The first is within the modern sector of the economy, where two labour markets exist side by side, that for nationals and that for non-nationals. Secondly, Saudi Arabia and Libya have large agricultural sectors, where about one-half and one-quarter of the population, respectively, work and live (Birks and Sinclair 1979c).

The apparent permanence of so large a traditional sector in countries of considerable wealth is remarkable, and the processes involved are of considerable significance. These have been discussed elsewhere but in short

it appears that modern sector urban development has been so rapid that indigenous citizens in rural areas have been largely untouched by it. As a result of a number of factors, it seems likely that both Saudi Arabia and Libya will continue to have a large and mainly traditional agricultural sector for some time to come. A comparable situation exists in the United Arab Emirates and Oman, though there the topic has been explored little.

The focus of a regional approach to these problems should be to determine, firstly, what the long-term future of employment in the traditional agricultural sector is; secondly, what the constraints to developing the manpower of this sector are; and thirdly, what the links between the manpower in this sector with others in the economy are.

#### B. Capital-poor states

Two issues dominate our analysis of human resources development in capital-poor states. The first is the pervasiveness and significance of international labour migration and the second is to poverty of the capital-poor states. We discuss international migration first.

##### 1. International migration

Migration for employment within the region has become a pervasive phenomenon. Every capital-poor state in the region has been affected by the growing demands for labour in the capital-rich states. In some countries, a very high proportion of the workforce is abroad (see table 4) (Birks and Sinclair 1979a). Many areas of economic life are affected, not least the labour market, where critical shortages of skilled manpower are now common. More familiar is the "brain drain" problem faced by countries with more highly educated workforces. In response to the high wage rates that have resulted from labour shortages, a second round of migration has occurred, drawing in replacement migrants from areas outside the region, notably Asia. Managing the labour market under these circumstances is difficult, particularly because capital-poor states do not know whether the present demand for the services of their nationals will continue. Some commentators think that the demand for Arab migrant labour may decline quite rapidly in the future (Birks and Sinclair 1979b).

A regional assessment of the demand for and supply of migrant labour would be a significant contribution to those concerned with problems in the capital-poor states. In the longer term, the establishment of agreed levels of labour migration by capital-rich and capital-poor countries would permit the latter to undertake planning in a more certain and more predictable world.<sup>^</sup>

Development planning is seriously compromised by labour migration. There are two extreme views currently held about future economic prospects of capital-poor states. One is that labour shortages will persist in skilled occupations concurrently with a relative abundance of foreign exchange. The second is that a large number of migrant workers will shortly return home, thus creating labour surpluses and a sudden decline in remittances. Of course, the future scenario that planners believe most likely is profoundly relevant to present-day decisions regarding the structure of investment and, in particular, technology and employment issues.

Development of human resources is also made problematic when the possibility of labour out-migration is high. If enrollees in education and training institutions are likely to go abroad after their training, what return does the the country enjoy on the educational expenditure committed to the individual?

International labour migration has a pervasive impact on capital-poor states, and we have mentioned three areas where this is particularly obvious in the labour market, development planning, and human resources development. A regional manpower programme would, as a priority, contribute towards coping with the effect of international migration on the labour-sending countries.

## 2. Employment creation and management of the labour market

Most capital-poor states are experiencing low rates of economic growth and quite high rates of population increase. The expansion of non-government modern sector employment has been very limited, while the number of labour market entrants aspiring to work in the modern sector is growing. Many of these have high levels of education. This situation, combined with the rapid growth of urban centres, has led to a sudden expansion of informal sector activities (Birks and Sinclair n.d. 3, Mustafa n.d.). Despite general recognition of the importance of the informal sector as a provider of livelihoods, little is known or written about it in the Arab region. The significance of the informal sector is likely to increase considerably in future years in all capital-poor states; it therefore warrants consideration in a regional manpower programme.

As the informal sector will grow, so will unemployment and underemployment. Economic development has not and does not yet appear able to proceed quickly enough to utilize all job seekers. Typical of the unenviable position the capital-poor countries have is the growing likelihood of educated unemployed immediately after a decade of substantial educational investment. Maintaining economic development and preserving an equitable distribution of income and welfare is going to become very difficult for the capital-poor countries, particularly Egypt and Morocco.

### Conclusion

At this point in papers, authors often conclude that more academic research is warranted on the subjects discussed. This style of conclusion we reject and, on the contrary, propose to describe one approach to tackling many of the problems mentioned here. The suggestion is that a regional manpower programme be adopted by relevant agencies, institutions, and governments, with the specific objective of approaching the task of human resources development from a regional perspective. This programme we now detail.

#### IV. A REGIONAL MANPOWER PROGRAMME

A number of problems which occur in the Arab region in the field of human resources development have been described. It is argued that these are best tackled from a regional perspective. To do this we need a regional manpower programme which logically and systematically sets out an approach to various problems mentioned. While it is essential to begin with a clear picture of what is ideal, creating the regional programme is likely to be a long and taking process comprising a considerable number of practical steps over a period of time. The speed with which the programme might develop would depend on the extent to which countries of the region appreciated its virtues and benefits. As time passes the arguments set out here in favour of the programme will strengthen. While the programme initially might only enjoy support from a few selected countries or institutions, in the long run an ever-wider audience will wish to participate.

A. Development of the programme

The following is a suggested approach to developing the regional manpower programme. In practice, it may prove worth while to use alternative methods.

1. This present paper should be discussed as widely as possible by (a) international agencies; (b) regional agencies; (c) individual governments of the region, in particular, ministries of labour and planning; and (d) individuals concerned in the development of human resources and labour market problems, including academics, experts, and policy-makers.

2. A series of seminars or workshops should be held comprising groups of countries with similar labour market problems, with the purpose of sharing experiences of labour market management and considering the concept of a regional manpower programme.

3. International or regional agencies engaged in executing technical assistance projects, such as the ILO, ECWA, and the ALO, should continue to provide technical assistance to countries of the region in response to requests for assistance with manpower planning and human resources development. However, much greater attention should be given in design of project documents and in the specified work of experts to the regional approach to labour market problems. Project documents and, in particular, budgets should have built into them allowance for a periodic regional seminar on discussion of labour market problems. In this way, the attention of donor agencies, such as UNDP, UNFPA, IBRD, EDF, DANIDA, Kuwait Fund, Arab Fund, etc., and individual governments, would have their attention drawn to the regional element of individual country problems.

4. In addition to paying closer attention in project documents and technical assistance to the regional component of human resources development, some agency should undertake two activities on an ongoing basis. These are (a) an annual evaluation of the demand for and supply of labour in the region; and (b) an annual study of labour market problems in the Arab region.

The need for these two activities is shown in the analysis of problems of human resources development mentioned earlier. Both capital-rich and capital-poor countries face sudden changes in their labour markets and prediction of these changes before they occur would facilitate coping with the ensuing

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problems. Moreover, the solution of certain labour market problems calls for an analysis of the processes involved. Even if it were possible to predict an imbalance in a labour market or to identify some distortion, correcting these might call for an understanding of the general functioning of the economy and labour market.

5. In the long run, the objectives of the regional manpower programme is the establishment of a common policy and approach to human resources development in the Arab region that enhances the economic development of rich and poor alike.



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