

FOREIGN WORKERS IN MIDDLE EAST CONSTRUCTION INDUSTRY

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Dedicated with much love and affection to my beloved mom and
the spirit of my great dad, all my family,
who always teach me and guide me during my life;

Mr . Bachan Sing
who always give me supports and encouragements,

All my fellow friends.

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ABSTRACT

The construction industry is one of the key sectors of any country and migrant workers are of the vital importance. Middle East is where such migration is particularly important. . Why is there an influx of migrant workers in the construction industry in the Middle East? What are the effects it has on the locals? What skills do the migrant workers possess? The aim of this study is to examine the procedures in the employment of migrant workers in the construction industry, to identify the problems caused by the migrant workers in the construction industry, to assess the problems faced by the migrant workers in the construction industry and to assess the level of skill of migrant workers in their respective trade in construction. The study is carried out in Dubai. The data collected through interview and questionnaires. The data analyzed using statistical analysis and average index with last version of Excel program.. From the study the process of the employment of migrant workers comprise to three stages; pay 2000-3000 USD \$ to work agencies in their home countries, chose by employer based on working experience and work capability ,take kafala sponsorship from governments. Problems related to migrant workers are; Willing to work overtime, Unsatisfied with wages, Not getting wages regularly, Low income versus locals, unsatisfied to basic needs, unsatisfied to medical treatment, Competition for job, Crime rate, Low skill and risk, Cooperation with locals, Local workers problems, Social problems, Culture diversity problems, Cheap foreign workers, Insurance increasing price. the result driven to the levels of skill of migrant workers according to priority are as follows; Bricklayer, General labor, Painter, Mason, Plaster, Tiler, Barbender, Plumber, Drainage, Slate and tile installer, Machinery operators, Glazier, Carpenter, Joiner, Hammersmith.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

The construction industry is one of the key sectors of any country and migrant workers are of the vital importance. Contemporary migration for work in the construction industry has antecedents in the migrations associated with colonialism. The slave trade was one of the largest mass migrations in human history, with an estimated 15 million people forcibly transported from Africa to the Americas. When the slave trade was abolished, indentured labour took its place. Indentured workers were recruited (sometimes by force) by all the major colonial powers. Between 1834 and 1941 an estimated 37 million workers (mostly from China and India) were recruited to work on plantations, mines and construction projects in 40 countries.

Issue of migrant workers is crucial on the Middle East where such migration is particularly important. The ethnic mix of construction workers in the Middle East clearly fluctuates in line with the vicissitudes of political and economic developments, as well as the changing composition of the workload.

The rapid rise in oil prices in 1973 which marked the end of the period of continuous economic expansion in Europe had many other repercussions for the global economy, and for international construction, which are still being played out. The immediate and most obvious effect was a very rapid increase in revenues accruing to the oil-producing states. This sparked off a process of industrialization and social change in these countries, characterized by massive investments in buildings and infrastructure. The subsequent expansion of construction activity was on a scale and at a pace that were unprecedented. Between 1974 and 1979, half of Saudi Arabia's greatly expanded national budget which was spent on infrastructure projects.(Wells, 1996)

From 2000 until 2009, the GDP of the United Arab Emirates (UAE) grew at an unprecedented average annual rate of 6.62 percent, fueled by increases in oil prices and foreign investment—accompanying this growth have been systematic violations of the human rights of migrant workers that have led to striking health disparities. There are 35 million people living in the six member countries of the Gulf Cooperation Council (GCC) (Saudi Arabia, Kuwait, Qatar, Oman, Bahrain, and the UAE); 17 million are migrants. Of these countries, Qatar, Kuwait, and the UAE have the highest percentage of foreigners. According to Human Rights Watch (HRW) and the International Labor Organization (ILO), migrant workers comprise about 95 percent of the UAE's workforce, and about half of its 4 million residents worked in the construction sector in Dubai or one of the other six emirates during in the construction boom.

Large numbers of Western expatriates drawn to the UAE by tax-free salaries and numerous perks and wealthy Emiratis with large household staffs have further fueled the influx of cheap migrant labor. Economic growth has led also to a boom in the UAE's sex trade; women and girls are trafficked into the country, while others come voluntarily to make money—as a result, the UAE (Dubai in particular) has become known as “the ‘center for prostitution’ in the Middle East.”² Human trafficking is further fueled by the

national sport of camel racing, with smugglers kid-napping or buying young children to use as jockeys.

As most of the oil-rich countries of the Middle East have very small populations, the construction boom of the 1970s and early 1980s not only created a huge market for foreign consultants and contractors, 14 it also generated an enormous demand for foreign workers. The imbalance between oil resource and population was particularly marked in the six countries which make up the Gulf Cooperation Council (GCC) -- Saudi Arabia, Kuwait, Bahrain, Oman, United Arab Emirate and Qatar -- which between them had fewer than 7 million inhabitants in 1975.

A significant factor was the marked change in the size and distribution of construction contracts. During the 1980s, 70% of construction work was packaged in projects worth over US\$200 million. Most of these huge contracts were let to firms from Europe and the US.

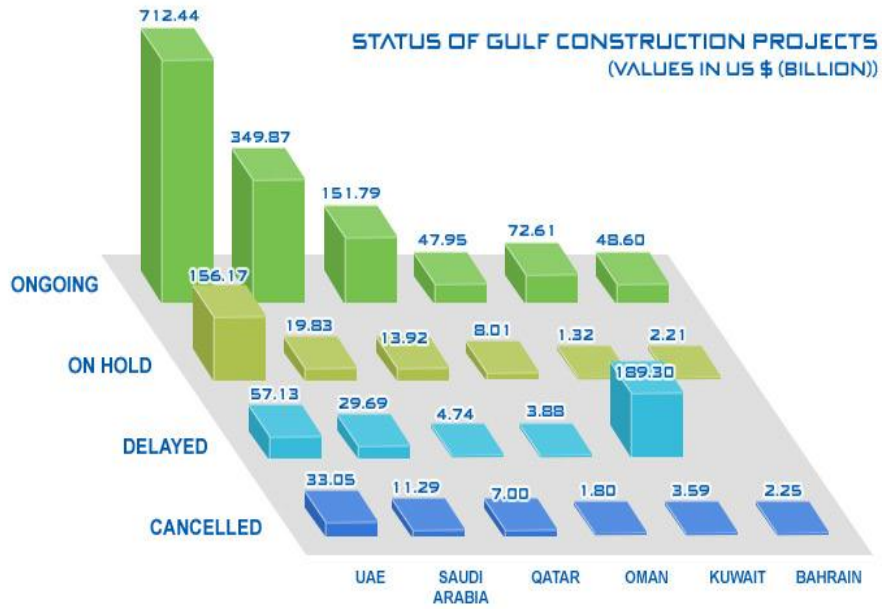


Figure 1-1 Middle East market update

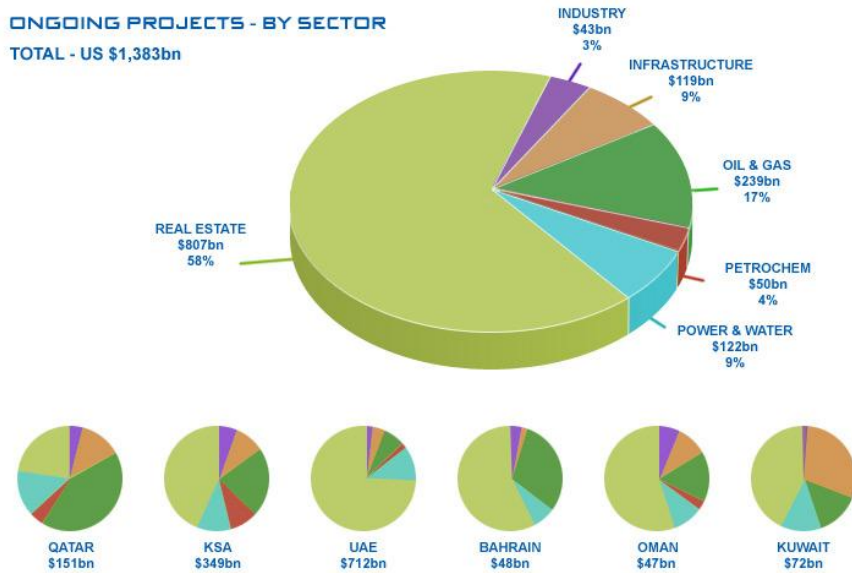


Figure 1-2 Middle East market update

However in the mid-1980s, the level of construction activity in the Gulf dropped, in line with oil prices. As the market contracted and competition amongst contractors increased, contractors' profit margins were squeezed. This was a significant factor driving down wages. It also had an impact on the source of labour supply. By the 1990s Thais and Filipinos were considered too expensive by most contractors, and the labour market was dominated by the South Asians. Some contractors are now bringing in even cheaper labour, notably from China. Construction output revived again in the late 1980s. Although the level of construction activity in the Middle East will probably not again reach the dizzy heights of the late 1970s and early 1980s, new construction together with the maintenance and repair of existing structures continues to demand a substantial labour force.

Table 1-1 Percentage of migrant workers in United Arab States

Table 1: Percentage of foreign workers in labour force in certain Arab states.

Country	Saudi Arabia	UAE	Bahrain	Kuwait	Lebanon
% of Labour Force	67% (2004) ⁵	> 80% (2000) ⁶	63.6% (2000) ⁷	82% (2000) ⁸	> 30% (2002) ⁹

In all of the other countries, local people are still reluctant to work in the private sector, let alone the construction industry, and manual work is out of the question. Hence the number of foreign construction workers in the Middle East as a whole has not significantly declined and is likely to increase in the future. Hence these foreign workers have unavoidably effects on construction industry in Middle East.

1-2 Background

The construction industry is among the most important industries in the country that are closely related to other economic sectors. Construction industry is one of the

sectors that require labor intensive to fulfill the work at sites. Some researchers have illustrated several patterns of foreign workers in construction industry.

Jill Wells. (1996) outlines some of the major patterns and characteristics of the international migration of labour for work in the construction industry focusing on two regions. (the Middle East and the Far East), where such migration is particularly important. It highlights the relationship between international contracting and labour migration and traces the emergence and development of an international market for construction labour.

National Construction Council Dares Salaam (2005) discusses about labour practices on large construction sites in the United Republic of Tanzania, Coordinated by the objectives of the study:

- (i) To develop baseline information on common employment practices in large construction projects in the United Republic of Tanzania;
- (ii) To compare the current practices with the requirements under the law and the contract.

Amarjit Kaur. (2010) discusses labour migration trends and policy challenges. This paper explores migration trends in the post-colonial geography of migration against the backdrop of growing regionalism and the development of regional migration systems and migration corridors. It also examines the “new world domestic order” and the development of gendered migration linkages that have resulted in the expansion of the domestic work sector and care-giving migration.

Mouawiya Al Award. (2011) investigate cost of foreign labour in the united emirates. The aims of this study are to estimate and analyze the labor cost and its

distribution in the UAE and to decompose it to direct cost to firms (e.g., wages, non-wage benefits, recruitment costs, labor fees, insurance, end of services) and indirect costs (e.g., energy subsidies, use of public services and infrastructure, security and social risks, etc).

Sevil Sönmez (2011) discusses human rights and health disparities for migrant workers in the UAE. This paper aims to review existing literature on the UAE's violations of migrant workers' human rights with a focus on construction workers, domestic workers, trafficked women and children and related health ramifications and disparities also, discuss the responsibility of employers, governments, and the global community to mitigate the problems, and offer recommendations for improving conditions for workers.

1-3 Problem statement

The number of foreign workers in the United Arab of Emirates (UAE) increased to 3.8 million in 2010. A rapid economic boom in the Gulf state led to more than doubling the number of foreign workers in construction sectors from 1.8 million in 2001 to 4 million in the peak year of 2008 before it dropped to 3.8 million by 2010 because of economic contraction in the wake of the global financial crisis in 2009.

At the end of 2000, the UAE nationals were around 701,000, while the foreign population with an estimated 2.48 million exceeded the nationals more than three times. Numbers from 1990 reveal that the foreign population was growing by 1 million

Between 1990 and 2000, while the UAE nationals were growing by merely 100,000. In 1990 Formal regulations coupled with widespread informal practices shape the daily lives of foreign workers. The total number of non-national workers in the

workforce of the Gulf countries accounted for a bit more than five million compared to 2 million national workers. In the same year in the UAE, only one in eight on the labor market was a national. Comparable to other developed countries, the number of irregular workers accounts for about 10 per cent of the total population or 15 per cent of the work force.

Usually it seems difficult to investigate about migrant workers. In fact, most of the workers who are working in the gulf countries are not legal workers and their activities are not clear enough for the labor related organizations, therefore migrant workers has significant impact on the working condition of UAE. As in most other countries, migrant workers are not covered by labor laws in Dubai so this poses serious problems in monitoring their conditions of employment. also Low wages and long hours of work of migrant workers will have effect on working condition of local workers. So can be seen migrant workers in low-paid, low-skilled employment in the private sector and locals are in high-paid jobs in the public sector. This explains the coexistence of high unemployment rates of locals with large volumes of migrant workers. According to the 2008 Labour Force Survey, the rate of unemployment among nationals was 13.8 per cent, and only 2.6 per cent among foreign workers (ILO, 2009).

Table 1-2 Percentages of nationals and expatriates in employment (FS 2008)

	Nationals	Expatriates
Bahrain(a)	26.4	73.6
Kuwait
Oman(b)	22.3	77.3
Qatar(c)	7.5	92.5
Saudi Arabia(d)	13.3	86.7
United Arab Emirates

Also the labor migration system to the UAE is highly regulated. The policies are designed for temporary migration, and this has crucial impacts on the living and working conditions of foreign workers in the UAE. During this researcher, the researcher investigated three different problems related to migrant workers namely problems faced by the contractors, problems which migrant workers have while working in a gulf country like UAE and the problems which has been caused by workers for the host country.

1-4 Research Questions:

1. What is the procedure of employment for migrant workers in UAE?
2. What problems posed by migrant workers while working on construction industry of UAE from the contactors' point of view?
3. What problems faced by migrant workers in the construction industry of UAE from the contactors' point of view?
4. What is the average skill of migrant workers who are working in UAE?

1-5 Aim & Objectives:

The aim of this study is to examine the problems of migrant workers in the Middle East Focusing on Dubai construction industry and it will be covered by following objectives:

The objectives of the study are as follows:

1. To examine the procedures in the employment of migrant workers in the construction industry.

2. To assess the problems posed by the migrant workers in the construction industry.
3. To assess the problems faced by the migrant workers in the construction industry.
4. To assess the level of skill of migrant workers in their respective trade in construction.

1-6 Scope of Study

In this study researcher selected some construction companies located in UAE due to the availability sampling procedure. 30 contactors have been participated in this study in order to elicit their ideas about the quality of the migrant workers who are working in UAE, their problems regarding their working context in UAE construction sites and problems which migrant workers may cause for the host country. To this aim mail-questionnaire has been used to ask contractor's opinions regarding the mentioned factors. 43 web-based questionnaires have been posted through G-mail and Face book sites in which 30 of them have been replied by the respondents.

1-7 Research Methodology

To fulfill all objectives, it should be broken into specific and practical steps. These steps are summarized to five steps:

1. Examine the procedures in the employment of migrant by critical reviewing in literature, involved books, journals, thesis, articles, internet and ILO.
2. Distribute questionnaires' among contractors and sub-contractors to obtain the important problems that migrant workers leave in construction industry.

3. Find the official list of salary and wages from statistical reports and distribute questionnaires among contractors.
4. Gathering all information and makes a comparison by statistical analysis of questionnaires by SPSS software.

In general the study was divided into three phase. The issue, problem statement, aims and objectives, scope of the study identified in the first phase. Data collection and Literature review were conducted in the second phase. Analysis and comparative study of the study were conducted in phase three beside that conclusion and recommendation are in this phase too.

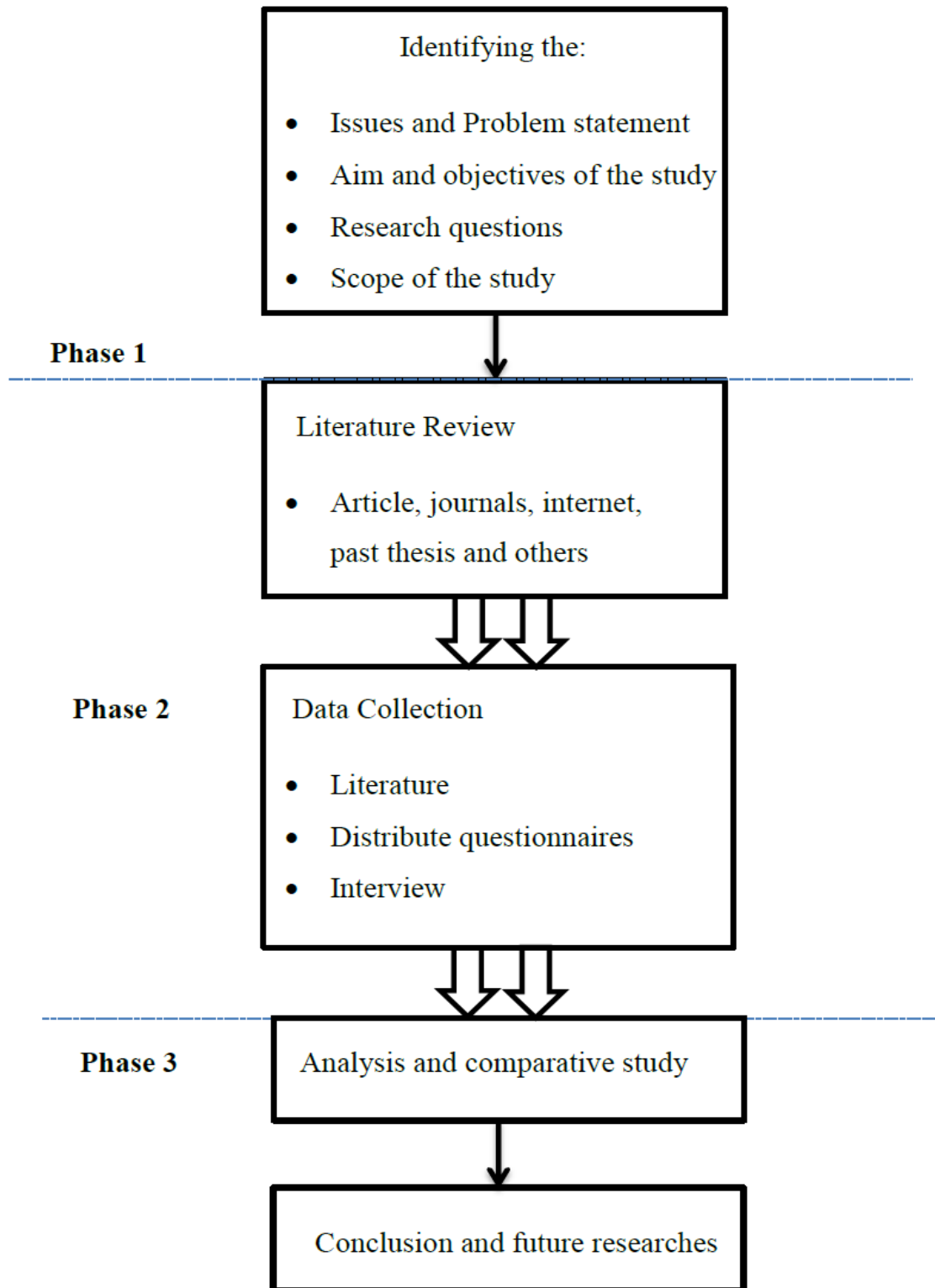


Figure 1-3 Methodology chart

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