

INTRA-ARAB LABOR MOVEMENT
1973-1985/

by

DINA KHAIR EL-DIN HASEEB
B.A., American University in Beirut, 1980

A MASTER'S REPORT

submitted in partial fulfillment of the
requirements for the degree

MASTER OF ARTS

Department of Economics

KANSAS STATE UNIVERSITY
Manhattan, Kansas

1986

Approved by:


Major Professor

LD
2668
.24
1986
H37
C.2

A11202 663520

Acknowledgements

I would like to express my sincere gratitude to my advisor, Prof. Patrick Gormely, for his guidance and assistance. I would also like to thank Prof. Jim Ragan and Prof. Wayne Nafziger for their thoughtful remarks. Last, but not least, I am in debt to my father for his moral and academic support.

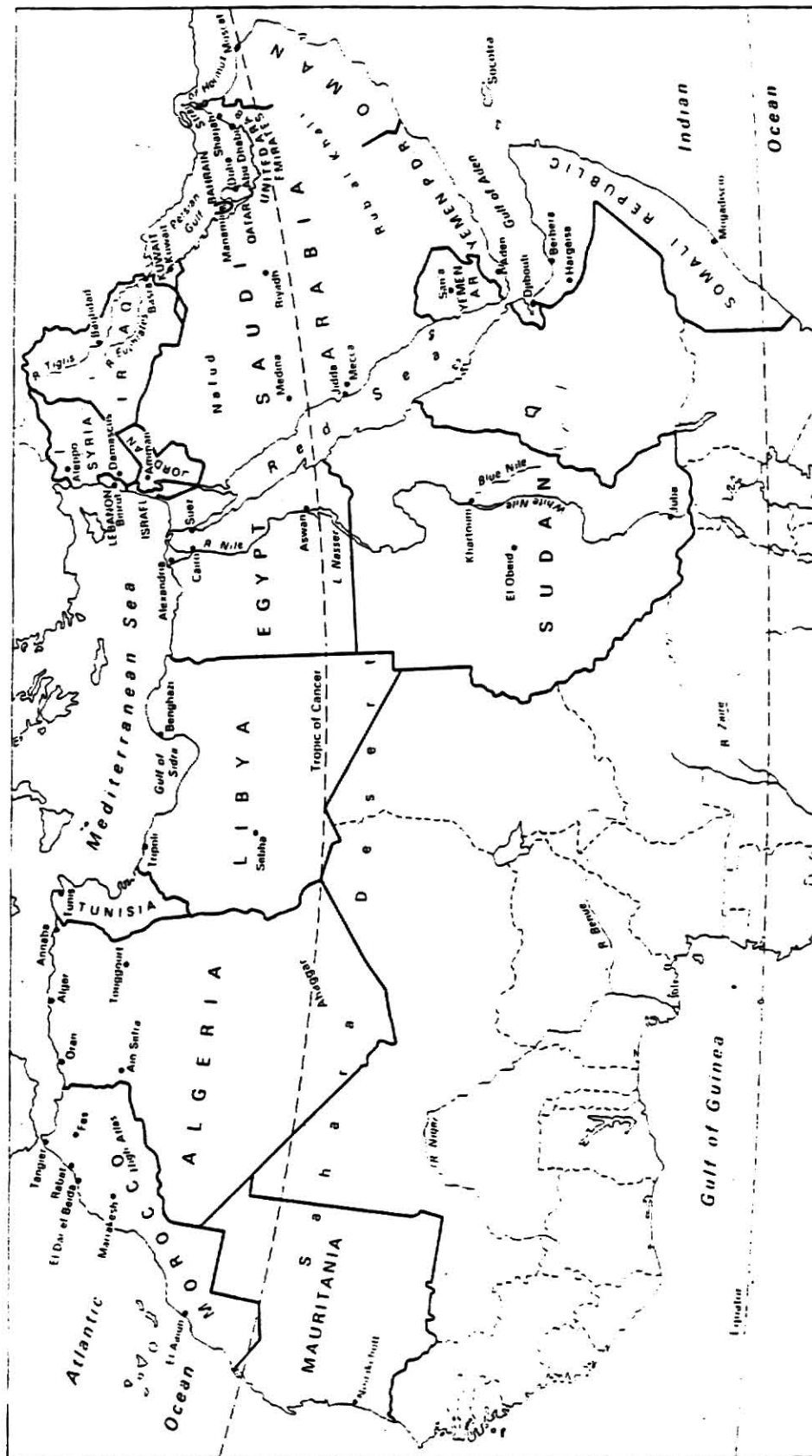
TABLE OF CONTENTS

	<u>Page</u>
LIST OF TABLES	iii
MAP: LOCATION OF THE ARAB COUNTRIES	v
I. INTRODUCTION	1
II. SIZE OF INTRA-ARAB LABOR MOVEMENT	21
1. INTRODUCTION	21
2. SIZE OF THE MOVEMENT	22
A. DURHAM UNIVERSITY - ILO ESTIMATES	23
B. WORLD BANK ESTIMATES	28
C. OTHER ESTIMATES	35
III. ECONOMIC EFFECTS OF INTRA-ARAB LABOR MOVEMENT	56
1. EFFECTS OF REMITTANCES AS A SOURCE OF FOREIGN EXCHANGE TO THE LABOR EXPORTING COUNTRIES	56
2. EFFECTS ON PATTERNS OF CONSUMPTION IN LABOR-EXPORTING COUNTRIES	58
3. EFFECTS ON INVESTMENT IN LABOR-EXPORTING COUNTRIES	59
4. BOTTLENECKS IN LABOR-MARKETS IN LABOR- EXPORTING COUNTRIES	60
5. INFLATIONARY EFFECTS IN LABOR-EXPORTING COUNTRIES	62
6. DISTRIBUTIONAL EFFECTS	64
IV. RECOMMENDATIONS FOR INCREASING BENEFITS AND COSTS OF INTRA-ARAB LABOR MOVEMENT IN BOTH LABOR- EXPORTING AND LABOR-IMPORTING COUNTRIES	70
1. RECOMMENDATIONS AT THE NATIONAL LEVEL	70
2. RECOMMENDATIONS AT THE REGIONAL LEVEL	74
V. SUMMARY AND CONCLUSIONS	76
BIBLIOGRAPHY	79

<u>Tables</u>	<u>Page</u>
1.1 Basic Indicators of the Arab World	9
1.2 Population of the Arab World	11
1.3 Labor Force in the Arab World	13
1.4 Labor force and crude participation rates in the Arab countries, 1975	15
1.5 Growth and Structure of Production in the Arab World, 1960-1984	16
1.6 Energy Statistics of the Arab World, 1983 . . .	18
1.7 Oil Revenues of the Major Arab Oil-Exporting Countries, 1970-1984	20
2.1 Intra-Arab Labor Movement during the Pre- 1973 period	41
2.2 Birks' and Sinclair's estimates: Employment in six major Arab Labor-importing countries, 1975-1985	42
2.3 Birks' and Sinclair's Estimates: Number of Arab migrants abroad in 1975 and projected numbers for 1985 by country of origin	43
2.4 Birks' and Sinclair's Estimates: Resolution of labor demand and supply in the capital- rich countries, 1975 and 1985	44
2.5 World Bank Estimates: Economic growth rates in the Arab World by country, 1976-1985	45
2.6 World Bank Estimates: Total labor requirement in the Arab World: Annual average compound growth rate and overall percentage increase, 1975 and 1985	46
2.7 World Bank Estimates: Total employment of Nationals and Non-nationals by Arab labor- importing countries, 1975 and 1985	48
2.8 World Bank Estimates: Migrant population and work force in the major Arab labor-importing countries by country of origin, 1975 and 1985 .	49
2.9 World Bank Estimates: Employment of nationals and non-nationals by economic sector in the major Arab labor-importing countries, 1975 and 1985	50

2.10	World Bank Estimates: Employment of nationals and non-nationals by occupational level in the major Arab labor-importing countries, 1975 and 1985	52
2.11	World Bank Estimates: Stock of migrant workers in the Arab labor-importing countries by country of origin, 1975 and 1985	53
2.12	Other Estimates of Labor Migration	54
3.1	Remittances of Arab Migrants by Country of Receipt, 1973-1980	66
3.2	Pattern of use of migrants' savings by selected occupational groups in Egypt, 1977	68
3.3	Size distribution of workers' remittances in Egypt, 1980	69

Location of the Arab Countries



Source: Sayigh, Yusif A., The Arab Economy, Oxford University Press, 1982.

I. INTRODUCTION: GENERAL BACKGROUND OF THE ARAB WORLD

The Arab World consists at present of 21 independent countries plus the Palestine Liberation Organization (PLO), which are situated in Asia and Africa. It is bordered by the Mediterranean and Turkey on the north, Iran and the Arabian Gulf on the east, the Atlantic Ocean on the west, and the African countries and the Indian Ocean on the south (see map). It has, therefore, an important strategic location.

The 21 Arab countries and the PLO are all members of the League of Arab States (AL), a regional organization which was set up in 1945. In addition to the Arab League, there are a number of other specialized Arab Regional Organizations, each specialized in coordination between the Arab countries, or some of them in the field of its competence.¹

Area. The Arab World extends over an area of about 13.7 million square kilometers. The Arab countries vary, both in area and in density of population; while the area of five Arab countries together (Bahrain, Djibouti, Qatar, Kuwait and Lebanon) is only about 62 thousand sq. km., there are six Arab countries (Algeria, Saudi Arabia, Sudan, Libya,

1. Among these Arab Regional Organizations are: The Arab Organization for Industrial Development; The Arab Organization for Agricultural Development; The Organization of Arab Oil Exporting Countries; Arab Fund for Economic and Social Development; Arab Labor Organization; Arab Organization for Education, Culture and Services; Council for Arab Economic Unity, as well as far less important ones.

Egypt and Mauritania) wherein the area of each exceeds one million sq. km., with the first three of them exceeding 2 million sq. km. each (see Table 1.1, p. 9). Of the total area of the Arab World, only 4% is cultivatable, compared to 7% on a worldwide level.²

Population. The population of the Arab World is estimated at about 180 million in mid-1983, with an average rate of growth of 2.9% per annum, which is expected to decrease to 2.5% per annum toward the end of the century, with estimated total population of between 275-300 million.³

The size of the population of the Arab countries varies considerably; Qatar has only 0.3 million, while Egypt has 45.1 million. There are six Arab countries (UAE, Bahrain, Oman, Qatar, Kuwait and Mauritania) which have a population of less than 2 million each, while four Arab countries (Algeria, Sudan, Egypt and Morocco) have over 20 million each (see Table 1.1) and share between them 108 million inhabitants, which is 60% of the total Arab population.

The population of the Arab countries is characterized by a high percentage of young people (under 15 years) and a growing relative importance of the urban population.⁴

2. See N. Firjani, Nadir, "Arab Development: Capabilities and Waste" (Arabic), AL-Mustakbal-AL-Arabi (Beirut: Center for Arab Unity Studies) No. 24, Feb. 1981, p. 24.

3. See Arab Monetary Fund (eds.), The Unified Arab Economic Report 1984 (Arabic), p. 83. (Henceforth referred to as the Unified Arab Economic Report.)

4. See Ibid, p. 83.

Average percentage of urban population in the Arab World was 46% of the total population in 1982, and was as high as 91% in Kuwait and as low as 20% in Oman, with 45% in Egypt and Algeria, 42% in Morocco, and 70% in Iraq (see Table 1.1).

Literacy rates in the Arab countries vary but are low in general and amounted to about 39% in the Arab World as a whole in 1980 (see Table 1.1).

Life expectancy at birth, though improved during the last few decades, is still low in general, compared with world averages.⁵ Average life expectancy in the Arab World was about 55 years in 1982 (see Table 1.1).

Crude birth and death rates (which indicate the number of live births and deaths per thousand population in a year) in the Arab countries are still high, though declining during the last two decades, especially in death rates (see Table 1.2, p. 11). The crude birth rate in 1982 was the highest in Qatar (50 per thousand) and the lowest in the United Arab Emirates (28), but it ranges between 40-48 per thousand in 15 Arab countries (see Table 1.2). Crude death rates in 1982 were highest in Somalia (25), and lowest in Kuwait and the UAE (3). It was less than 10 per thousand in eight Arab countries, between 10-20 in eleven Arab

5. In 1982 it was as low as 39 years in Somalia, 44 years in Arab Republic of Yemen, 45 years in Mauritania and 46 years in PDR of Yemen, but was 60 years and over in each of Jordan, UAE, Bahrain, Tunisia, Syria, Qatar, Kuwait and Lebanon. (See Table 1.1)

countries, and over 20 in two Arab countries only (see Table 1.2).

Fertility rates were quite high in 1982, ranging between 3.8 (in Lebanon) and 7.4 (in Jordan). It was between 6-7.4 in thirteen Arab countries (See Table 1.2).

Labor Force. As indicated earlier, the population of the Arab World is characterized by a very youthful nature, where a larger proportion of the population is aged less than 15 years than in more normally age-distributed populations.⁶

Population at working age (15-64 years) was estimated in 1983 at 95.4 million, which is about 53 per cent of the total Arab population in that year, as shown in Table 1.3, p. 13. Percentage of population at working age was the lowest in Algeria (49%) and the highest in Qatar (70%) but ranged between 50-55% in twelve of the Arab countries (Table 1.3).

Crude participation rates are much smaller than the ratio of population at working age because most of the women in the Arab World do not participate in the labor force.⁷ Figures on the labor force are not available for very recent years but those available for 1975 indicate that the

6. See J. S. Birks and C. A. Sinclair, Arab Manpower (London: Croom Helm, 1980), p. 17.

7. Percentage of women in the labor force is less than 10% in six Arab countries (Algeria, Libya, Mauritania, Saudi Arabia, United Arab Emirates, PDR of Yemen), between 10-20% in ten Arab countries (Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Morocco, Syria, Tunisia, Arab Republic of Yemen), and greater than 20% in Somalia (29.4%). See I. Saadeldin and M. Abdul-Fadhil, Arab Labor Movement (Arabic) (Beirut: Center for Arab Unity Studies, 1983), Table 4/5, p. 216.

average Arab crude participation rate was only about 28%.⁸ It ranged from an extremely low 19.4% in the case of Kuwait to about 33.5% in Egypt, as shown in Table 1.4, p. 15.

Given the different natural resource endowments and availability of capital for development, the Arab countries vary considerably in their domestic supplies and demand of national labor force. The Arab countries with a surplus labor force at present are: Egypt, Morocco, Algeria, Sudan, Arab Republic of Yemen, Tunisia, Somalia and Mauritania. The Arab countries which are short of labor force at present are: Iraq, Saudi Arabia, Libya, Kuwait, UAE, Bahrain and Qatar. In Syria and Yemen (PDR), labor migration is insignificant.⁹

Statistics on unemployment in the Arab countries are not available in detail, but scattered information indicates considerable unemployment in Egypt, Morocco and Sudan.¹⁰

The distribution of the labor force over the main sectors of the economy in the Arab countries varies considerably, as shown in Table 1.3. Agriculture still absorbs a high percentage of the total labor force; in 1980, it accounted for at least 50% of unemployment in seven major Arab countries, including Egypt, Morocco, Somalia and Sudan. Industry as a whole (including oil industry where relevant) commanded between 8-34% of the total labor force in the

8. The average is for fifteen Arab countries; it did not cover Djibouti, Lebanon, Mauritania, Morocco, Somalia and Tunisia. See Birks and Sinclair, *Arab Manpower*, op. cit., Table 1.4, p. 16.

9. See *The Unified Arab Economic Report*, op. cit., p. 83.

10. See *ibid*, p. 84-5.

Arab countries in 1980, and is increasing in magnitude. It was the lowest in Somalia and Mauritania (8%), and the highest in Kuwait (34%). It was also relatively high in Tunisia (32%), Syria (31%) and Egypt (30%), and between 25-30% in Algeria, Iraq, Lebanon and Libya. Services absorbed a relatively high proportion of the labor force in many Arab countries; in 1980 it was over 50% in Algeria, Jordan, Kuwait, Lebanon and Libya, but constituted around one-third or less of the labor force in important countries such as Egypt (20%), Iraq (32%), Syria (36%), Tunisia (33%) and Saudi Arabia (25%).

Economy. There is an international misconception about the richness of the Arab World. Total GDP of all Arab countries in 1982, including, naturally, all their oil revenues, was 418 billion dollars, as shown in Table 1.5, p. 16. It is less than that of the United Kingdom (473 billion) or France (537 billion) in that year, each with a population of less than one third of the total population of the Arab World (about 175 million in 1982).¹¹ Thus, average GNP per capita in 1982 was about 2,497 dollars, compared with 5,430 dollars in Spain and 6,840 dollars in Italy, to name only the two least developed countries in Western Europe.¹²

This general misconception has been created and confused with the cash surplus funds which became available

11. For the GDP and population of the United Kingdom and France, see The World Bank, World Development Report, 1984 (Washington, D.C.: The Bank, 1984), Tables 1 and 3, pp. 219 and 223.

12. See *ibid*, Table 1, p. 219.

after 1973 in some Arab oil-exporting countries, due to their limited absorptive capacities.¹³

Table 1.5 shows the economic structure of the different Arab countries, as well as rates of growth of their economies between 1960-1982. Figures for the Arab World as a whole are available for 1982 only.

The table shows that agriculture contributed about 7% of the GDP in 1982 in the Arab World as a whole, and that its relative contribution to GDP is declining. In the countries with agricultural resources, its contribution varied between 6% in Algeria, 20% in Egypt, 8% in Iraq, 18% in Morocco, 49% in Somalia, 36% in Sudan and 19% in Syria. The contribution of agriculture in oil-exporting countries such as Bahrain, Kuwait, Qatar, UAE and Saudi Arabia was negligible, only around 1% of GDP in each of them.

The contribution of the manufacturing sector to GDP in 1982 was only 8% in the Arab World as a whole. It was highest in Egypt (27%) and lowest in Oman (1%). But if we take the industry as a whole (mining, manufacturing, electricity and water, and construction), its contribution to GDP in 1982 goes up to 60%; the rise coming mainly from the oil industry (crude oil production), as clearly shown in Table 1.5.

The contribution of services to GDP in 1982 amounted to 33% and is generally on the rise. It was 50% and over in

13. See The Unified Arab Economic Report 1984, op. cit., p. 130.

nine Arab countries, between 40-50% in five Arab countries, and less than 40% in seven countries.

The Arab World contained over 54% of proven crude oil reserves and 16% of natural gas reserves of the world's total such reserves in 1983. Total energy production in the Arab World was about 11% of world total in the same year. Production of crude oil in 1983 was 22% of the total world production, and that of natural gas just over 10%. Table 1.6, p. 18, gives details of the energy situation in the Arab World in 1983.

Oil revenues alone contributed just over 37% of the total GDP of the Arab World in 1982. Oil's contribution to the GDP in nine Arab oil-exporting countries (excluding Egypt and Syria) was about 50% in 1982.¹⁴ Oil revenues increased sharply in 1973 and onwards, as shown in Table 1.7, p. 20. They increased from 4.5 billion dollars in 1970 to 12.5 billion in 1973, reached their highest level in 1980 (205.7 billion), and then started declining since 1981 and are estimated at about 97.5 billion in 1984, which is only 47% of the level in 1980.

It is within the context of these oil revenue increases between 1973 and 1984 that labor migration between the Arab countries became far more important.

14. Estimated from The Unified Arab Economic Report, op. cit., Tables 2/4 and 4/1, pp. 186 and 199.

Table 1.1

Basic Indicators of the Arab World*

Country	Population (Millions) Mid-1983	Area (thousands) of square kilometers)	GNP Per Capita		Average Annual rate of inflation (percent)	Life expectancy at birth as % of total (years) population	Urban Population as % of total population	Literacy Rate
			Dollars	Average Annual growth rate (percent)				
			1982	1960-1982	1960-70	1970-82	1982	1980
Algeria	21.0	2,382	2,350	3.2 ^d	2.7	13.9	57	35 ^h
Bahrain	0.4 ^a	0.620	9,280 ^b	3.5 ^d	--	--	68	--
Djibouti	0.4 ^a	22	450 ^b	2.3 ^d	--	--	--	--
Egypt	45.1	1,001	690	3.6 ^d	2.6	11.9 ^e	57	44 ^h
Iraq	14.5	435	3,020	3.4 ^d	1.7	14.1 ^e	59	70 ^h
Jordan	3.7	98	1,690	6.9 ^e	--	9.6	64	70 ^h
Kuwait	1.5	18	19,870 ^c	-0.1 ^e	--	15.6	71	60
Lebanon	2.8	10	1,270 ^c	2.5 ^d	1.4	--	65	--
Libya	3.3	1,760	8,510	4.1	5.2	16.0	57	58
Mauritania	1.7	1,031	470	1.4	2.1	8.7	45	17 ^h
Morocco	22.2	447	870	2.6	2.0	8.3	52	28
Oman	1.1	212.46	6,090	7.4 ^d	--	--	52	--
Qatar	0.3	11	21,880	7.1 ^d	2.6	29.4	71	--
Saudi Arabia	9.9	2,150	16,000	7.5 ^e	--	22.5	56	25 ^h
Somalia	4.6	638	290	-0.1	4.5	12.6 ^g	39	60 ^h
Sudan	20.3	2,506	440	-0.4	3.9	15.2	47	32 ^h
Syria	10.0	185	1,680	4.0	2.6 ^f	12.2 ^g	66	58 ^h
Tunisia	6.7	164	1,390	4.7 ^e	3.6	8.7	61	62 ^h
United Arab Emirates	1.1	84	23,770	-0.7 ^e	--	--	71	56
Yemen Arab Republic	7.7	195	500	5.1 ^e	--	15.0	44	21
Yemen, PDR	2.1	333	470	6.4 ^e	--	--	46	40
TOTAL	180.4	13,683.08	2,497				55 ^h	39 ^h

- * This and the following tables do not include Palestine due to the unavailability of detailed information about it.
- Figures are unavailable.
- (a) This figure is for 1982.
 - (b) Figure is not for 1982.
 - (c) Figure is for 1980.
 - (d) Figures are for 1970-1980.
 - (e) Figure is for period other than that specified.
 - (f) Figures are for 1961-1970.
 - (g) Figures are for 1970-1981.
 - (h) Computed by writer.

Source: Al-Mustakbal-Al-Arabi. Beirut: Center for Arab Unity Studies, No. 76, June 1985, Table 1, pp. 188-290, and was estimated from:

1. The World Bank, World Development Report, 1984. Washington, D.C.: The Bank, 1984, Tables 1-3, 20 and 22-24, pp. 218-223.
2. Arab Monetary Fund (eds.). The Unified Arab Economic Report, 1984, Table (2-2), pp. 252, Table (7-1), pp. 317, and Table (2-7), p. 250.

Table 1.2
Population of the Arab World
1982-2000

Country	Average Annual Growth of population (%)		Population (millions)			Assumed Year of reaching Net Reproduction Rate of 1	Crude Birth Rate (Per 1,000 Population)		Crude Death Rate (Per 1,000 Population)		Total Fertility Rate (c)	
	1970-82	1980-2000	1982	1990	2000		1960	1982	1960	1982	1982	2000
Algeria (a)	3.1	3.7	20	27	39	2025	51	47	20	13	7.0	6.1
Bahrain (b)	--	--	--	--	--	--	--	45	--	7	--	--
Djibouti	--	--	--	--	--	--	--	42	--	7.6	--	--
Egypt	2.5	2.0	44	52	63	2015	44	35	20	11	4.6	3.0
Iraq	3.5	3.4	14	19	26	2025	49	45	20	11	6.7	4.9
Jordan	2.5	3.9	3	4	6	2020	47	45	20	8	7.4	5.2
Kuwait	6.3	3.5	2	2	3	2010	44	35	10	3	5.7	3.0
Lebanon	0.5	1.3	3	3	3	2005	43	29	14	9	3.8	2.4
Libya	4.1	4.3	3	5	7	2025	49	45	19	11	7.2	6.3
Mauritania	2.3	2.6	2	2	3	2035	51	43	27	19	6.0	5.9
Morocco	2.6	2.5	20	25	31	2025	50	40	21	15	5.8	3.8
Oman (a)	4.3	2.9	1	1	2	2020	51	47	28	15	7.1	4.0
Qatar	--	--	--	--	--	--	--	50	--	20	--	--
Saudi Arabia	4.8	3.7	10	14	19	2030	49	43	23	12	7.1	6.3
Somalia	2.8	2.4	5	5	7	2045	48	48	29	25	6.5	6.1
Sudan	3.2	2.9	20	25	34	2035	47	45	25	18	6.6	6.0
Syria	3.5	3.5	10	13	17	2020	47	46	18	7	7.2	4.0
Tunisia	2.3	2.3	7	8	10	2015	47	34	19	9	4.9	3.1
United Arab Emirates	15.5	3.7	1	2	2	2015	46	28	19	3	6.0	4.8
Yemen Arab Republic	3.0	2.9	8	9	12	2040	50	48	29	22	6.8	6.2
Yemen, PDR	2.2	3.1	2	2	3	2040	50	48	29	19	6.9	6.3
TOTAL	--	--	175	218	287	--	--	--	--	--	--	--

(--) Figures are unavailable.

- (a) Figures are for 1975.
- (b) Figures are for 1970.
- (c) Represents the number of children that would be born per woman if she were to live to the end of her childbearing years and bear children at each age, in accord with prevailing age-specific fertility rates.

- Sources:
- 1. The World Bank, World Development Report, 1984, op. cit., Tables 19-20, pp. 254-257.
 - 2. The Council for Arab Economic Unity, General Secretariate, AL-Kitab-AL-Sanawi -Il-Bilad-AL-Arabiya (Arabic) (The Annual Yearbook of Statistics for the Arab Countries), No. 5, September 1982, Tables 8 and 9, pp. 15, 16.

Table 1.3

Labor Force
In The Arab World

Country	Population (millions)	Percentage of Population at Working Age (15-64 years) 1983	Population of Working Age (15-64 years) (millions) 1983	Percentage of Labor in:					
				Agriculture		Industry		Services	
				1960	1980	1960	1980	1960	1980
Algeria	21.0	49	10.3	67	25	12	25	21	50
Bahrain	0.4 (a)	59	0.2	--	--	--	--	--	--
Djibouti	0.4	--	--	--	--	--	--	--	--
Egypt	45.1	57	25.7	58	50	12	30	30	20
Iraq	14.5	51	7.4	53	42	18	26	29	32
Jordan	3.7	51	1.9	44	20	26	20	30	60
Kuwait	1.5	52	0.8	1	2	34	34	65	64
Lebanon	2.8	56	1.6	38	11	23	27	39	62
Libya	3.3	51	1.7	53	19	17	28	30	53
Mauritania	1.7	51	0.9	91	69	3	8	6	23
Morocco	22.2	51	11.3	62	52	14	21	24	27
Oman	1.1	56	0.6	--	--	--	--	--	--
Qatar	0.3	70	0.2	--	--	--	--	--	--
Saudi Arabia	9.9	52	5.1	71	61	10	14	19	25
Somalia	4.6	54	2.5	88	82	4	8	8	10
Sudan	20.3	53	10.8	86	78	6	10	8	12
Syria	10.0	49	4.9	54	33	19	31	27	36
Tunisia	6.7	56	3.8	56	35	18	32	26	33
United Arab Emirates	1.1	53	0.6	--	--	--	--	--	--
Yemen, Arab Republic	7.7	52	4.0	83	75	7	11	10	14
Yemen, PDR	2.1	52	1.1	70	40	15	15	15	40
TOTAL	180.1	53	95.4	--	--	--	--	--	--

(--) Figures are unavailable.

(a) This figure is for 1982

Sources: 1. The Unified Arab Economic Report 1984, op. cit., Tables (3/7) and (4/7), pp. 251-252.
2. The World Bank, World Development Report, 1984, op. cit., Table (21), pp. 258-259.

Table 1.4
Labor Force and Crude Participation Rates
in the Arab Countries, 1975

Country	Population	Labor Force	Crude Participation Rate (Per Cent)
Algeria	15,800,000	4,100,000	26.1
Bahrain	214,000	45,800	21.3
Djibouti	--	--	--
Egypt	37,364,900	12,522,200	33.5
Iraq	11,380,000	2,860,000	25.1
Jordan	2,616,700	532,800	20.4
Kuwait	472,100	91,800	19.4
Lebanon	2,400,000 ^(a)	--	--
Libya	2,223,700	449,200	20.2
Mauritania	--	--	--
Morocco	18,400,000 ^(b)	--	--
Oman	550,000	137,000	24.9
Qatar	660,300	12,500	20.7
Saudi Arabia	4,592,500	1,026,500	22.3
Somalia	--	--	--
Sudan	15,031,300	3,700,000	24.6
Syria	7,335,000	1,838,900	25.1
Tunisia	5,570,000	--	--
United Arab Emirates	200,000	45,000	22.3
Yemen, Arab Republic	5,037,000	1,425,800	28.1
Yemen, PDR	1,660,000	430,500	25.9
TOTAL	130,907,500	29,218,000	27.9 ^(c)

-- Figures unavailable.

(a) Figure is for 1973-77.

(b) Figure is for 1977.

(c) Does not include Lebanon, Morocco and Tunisia.

Source: 1. Birks, J. S. and Sinclair, C. A. Arab Manpower.
London: Croom Helm, 1980, Tables 1.3, 1.4, pp. 14, 16.

2. International Migration and Development
In the Arab Region. Geneva: International Labor
Organization (ILO), 1980, Table 3, p. 129.

Table 1.5

Growth and Structure of Production
in the Arab World
1960-1982

Country	GDP		Average Annual Growth Rate (Per Cent)		Distribution of Gross Domestic Product (Per Cent)							
	(millions of dollars)				Agriculture		Industry		Manufacturing		Services	
	1960	1982	1960-70	1970-82	1960	1982	1960	1982	1960	1982	1960	1982
Algeria	2740	40264.5	4.3	6.6	16	6	35	55	8	10	49	39
Bahrain	244 ^a	4627.9	--	--	--	1	--	43	--	11	--	56
Djibouti	24	444.8	--	--	--	8	--	--	--	8	--	--
Egypt	3880	31750.5	4.3	8.4	30	20	24	34	20	27 ^g	46	46
Iraq	1580	31243.7	6.1	--	17	10	51	40	10	7 ^g	32	50
Jordan	275 ^b	3813.5	-- ^d	9.3	--	7	--	29	--	14	--	64
Kuwait	1902	19895.4	5.7 ^d	2.1 ^e	--	1	--	61	--	7	--	38
Lebanon	830	2574.3	4.9	--	11	9 ^f	20	22 ^f	13	13 ^g	69	69 ^f
Libya	310	32388.9	24.4	2.4 ^e	--	2	--	68	--	3	--	30
Mauritania	90	684.1	6.7	2.0	44	29	21	25	3	8	35	46
Morocco	2040	14694.0	4.4	5.0	23	18	26	31	16	16	51	51
Oman	50	7203.0	19.5	5.8	74	2	8	65	1	1 ^g	18	33
Qatar	159 ^a	7595.9	--	--	--	1	--	66	--	5 ^g	--	33
Saudi Arabia	1685	153112.5	--	9.8	--	1	--	77	--	4	--	22
Somalia	160	1241.3	1.0	3.8	71	60	8	11	3	7 ^g	21	29
Sudan	1160	6949.4	0.7	6.3	--	36 ^f	--	14 ^f	--	7	--	50 ^f
Syria	890	18468.7	8.8 ^d	4.6	--	19	--	31	--	10 ^g	--	50 ^f
Tunisia	770 ^c	7714.5	4.7 ^d	7.0	24 ^c	15	18 ^c	36	8 ^c	13	58 ^c	49
United Arab Emirates	--*	29656.6	--	--	--	1	--	68	--	8 ^g	--	31
Yemen, Arab Republic	234 ^b	3208.1	--	8.5	--	26	--	17	--	7	--	56
Yemen, PDR	224 ^b	896.9	--	--	--	12	--	27	--	11 ^g	--	61
TOTAL	19247	418428.5	--	--	--	--	--	--	--	--	--	--

-- Figures unavailable

* This country did not exist in 1960.

a Figure is for 1970

b Figure is for 1963

c Figure is for 1961

d Figures are for 1961-1970

e Figures are for 1970-1981

f Figure is for 1981

g Figure is average of 1981 and 1983

Sources: 1. AL-Mustakbal-AL-Arabi, op. cit., Tables 2 and 3, pp. 191-194, and was estimated from:

(a) The World Bank, World Development Report, 1984. Washington, D.C.: The Bank, 1984, Tables 2 and 3, pp. 220-223, and Table 5, pp. 156-157; World Development Report, 1982. Table 3, pp. 114-115 and Table 5, pp. 118-119; World Development Report, 1979. Table 3, pp. 130-131, Table 5, pp. 134-135, and World Development Report, 1978. Table 5, pp. 84-85.

(b) The Unified Arab Economic Report 1984, op. cit., Table (4/7), p. 252.

2. Figures for contribution of manufacturing sector in total GDP in 1981 and 1983 for Bahrain, Djibouti, Iraq, Lebanon, Oman, Qatar, Somalia, Syria, UAE and Yemen (PDR) were estimated from The Unified Arab Economic Report, op. cit., Table (3/4), p. 201.

3. The Unified Arab Economic Report, op. cit., Table (4/2), p. 186, which was used to estimate missing figures in World Development Report, 1984 for Bahrain, Djibouti and Oman for distribution of GDP between different sectors in 1982.

Table 1.6
Energy Statistics of the Arab World, 1983

Country	Proven Crude Oil Reserves (million barrels)	Natural Gas Reserves (billion cubic foot)	Total Energy Production (thousand barrels daily of oil equivalent)	Production of Crude Oil (thou- sand barrel daily)	Production of Natural Gas (thou- sand barrel daily of oil equi- valent)	Electricity Production (Megawatt hours)	Per Capita Electricity Consumption (Kilowatt hours)	Refining Capacity (Thousand barrels daily)	Total Energy Consumption (Thousand barrels daily of oil equi- valent)
Algeria	9,220.0	110,180	2,186.9	660.9	1,523.0	8,807	356	525.0	324.0 (c)
Bahrain	185.0	7,400	108.7	41.8	66.9	1,986	5,150	255.0	48.9 (c)
Djibouti	--	--	--	--	--	--	--	--	1.5
Egypt	3,450.0	7,100	829.7 (c)	719.1 (c)	47.5 (c)	25,879	592	408.0	439.2 (c)
Iraq	65,000.0	32,500	1,175.1 (c)	1,098.8	68.0 (c)	16,250	1,144	485.0	297.0 (c)
Jordan	--	--	--	--	--	1,918	764	100.0	51.7
Kuwait	66,747.5	35,154	1,144.1	1,052.0	92.1	12,774	7,983	560.0	178.0
Lebanon	--	--	5.0	--	--	2,570	988	52.0	49.1
Libya	21,270.0	21,350	1,461.2	1,230.0	231.2	7,716	2,411	130.0	163.9
Mauritania	--	--	--	--	--	145	90	20.0	3.5
Morocco	0.2	--	14.7	0.4	1.4	5,950	293	173.0	97.0
Oman	2,790.0	2,810	343.1	389.0	54.1	970	881	50.0	29.5 (c)
Qatar	3,330.0	150,000	389.4	294.0	95.4	3,236	14,088	13.0	104.8
Saudi Arabia	168,848.0	125,154	5,530.9 (c)	5,084.9 (c)	446.0 (c)	31,177	3,117	920.0	665.0 (c)
Somalia	--	--	--	--	--	173	38	10.0	7.4
Sudan	--	--	4.1	--	--	994	61	25.0	23.3
Syria	1,490.0	1,290	180.2	161.3	8.0	6,218	703	224.0	135.0
Tunisia	1,820.0	4,150	119.5	110.8	8.7	2,760	412	30.0	66.5
United Arab Emirates	32,240.0	30,820	1,383.0	1,225.3	157.7	8,784	7,985	135.0	132.7
Yemen, Arab Republic	--	--	--	--	--	786	104	--	18.8
Yemen, PDR	--	--	--	--	--	514	257	170.0	14.6
TOTAL ARAB	376,390.7	527,908	14,875.6	12,068.3	2,800.0	139,700	790 (average)	4,285.0	2,851.4
WORLD TOTAL	54.4	16.0	10.8	22.0	10.4				2.1

PER CENT OF

Table 1.6 - Page 2

-- Figures unavailable

(a) At year end

(b) Commercial Energy

(c) Figure is primary, temporary or estimated

Source: AL-Mustakbal-AL-Arabi. Beirut: Center for Arab Unity Studies, No. 78, August, 1985, Tables 1-8, pp. 203-210, and was estimated from:

1. The Third Arab Energy Conference, Algeria 4-9, May 1985, Basic Indicators for Economy and Energy at the Arab and International Levels, prepared by OAPEC, The Economic Administration, Tables 9-18.
2. AL-Khatib, Hisham, "Demand for Electricity in the Arab World: Effects on Oil Consumption and Available Alternative Options", Paper presented to the Third Arab Energy Conference, Algeria, 4-9 May 1985, and published in AL-Mustakbal-AL-Arabi op. cit., Table 6, p. 208.

Table 1.7
Oil Revenues of the Major Arab Oil-Exporting
Countries, 1970-1984
(million dollars)

Country	1970	1973	1976	1979	1980	1981	1982	1983	1984
Algeria	272	988	3700	7513	12500	10700	8500	7400 ^(a)	--
Iraq	521	1843	8500	21291	26100	10400	9700	8360	--
Kuwait	821	1735	6869	16863	17900	13800	7500	8700	--
Libya	1351	2223	7500	15223	22600	15300	13900	10900	--
Qatar	122	463	1092	3471	4914	4591	3882	2361	--
Saudi Arabia	1214	4340	30755	57522	102212	113200	76000	47600	--
United Arab Emirates	233	900	7000	12826	19500	18700	15500	11700	--
TOTAL	4534	12492	66416	134746	205726	186691	134982	97021	97500 ^(a)

-- Figures unavailable.

(a) Estimated Figures.

Source: Mabro, Robert: "Economic Effects of the Decline in Energy Demand on the Arab World," paper submitted to the Third Arab Energy Conference, Algeria, 4-9 May 1985, and published in AL-Mustakbal-AL-Arabi. Beirut: Center for Arab Unity Studies, No. 78, August 1985, Table 3, p. 60, which was estimated from OPEC, Annual Statistical Bulletin, Center for Arab Unity Studies, Beirut.

II. SIZE OF INTRA-ARAB LABOR MOVEMENT

1. Introduction

The term "movement" is used instead of "migration," since the individuals working in the Arab oil countries do not generally intend to live permanently in these countries, and from an Arab national viewpoint, movement of people who belong to one nation is not considered migration in the legal sense.¹

Movement of manpower between Arab countries started after World War II, but remained limited until the late 50's. (See Table 2.1, p. 41, for the migrant stock for given years before the oil price rise.) It was confined, mainly, to highly skilled manpower (doctors, teachers, etc.). With the big increase in oil revenues in 1973, the movement of manpower took a new direction.² The Arab oil countries, as a result of increased oil revenues, embarked on major development schemes, mostly infrastructure, that called for mostly unskilled and semi-skilled labor.³

The Arab countries are divided into three groups with respect to labor movement:⁴

1. It is worth mentioning at this point that I am interested in the economic welfare of the region as a whole rather than individual wellbeing.

2. See Saadeldin and Abdul-Fadhil, Arab Labor Movement, op. cit., pp. 19-20.

3. The Arab oil countries also imported non-Arab labor force, mostly Asians, but this does not concern us in this report except inasfar as it affects the size of the Arab labor force or constitutes a replacement for it.

4. See *ibid*, pp. 21-22.

- 1) Countries importing labor (most of the oil-exporting countries), which include Saudi Arabia, Kuwait, Bahrain, United Arab Emirates, Qatar and Libya.
- 2) Countries exporting labor, which include Egypt, Sudan, Somalia, Tunisia, Algeria, Morocco, PDR of Yemen, and Syria.⁵
- 3) Countries importing and exporting manpower: Iraq, Jordan, Lebanon, Arab Republic of Yemen and Oman.

There is general agreement that the volume of the non-national Arab labor force in the oil-exporting countries has almost doubled in the five-year period (1975-1980) from less than a million to more than two million.⁶ If we assume that there are five dependents to each non-national Arab worker, on average, then the number of Arabs affected by intra-Arab labor movement would, beginning in the early eighties, exceed ten million.⁷

2. Size of the Movement

There is no one single authority in the Arab World, national or regional, that publishes regular and consistent figures on intra-Arab labor movement. Figures published by

5. Most labor exports from Algeria, Tunisia and Morocco go to Western Europe, particularly to France, due to historical links between them and France, and also due to language difficulties, as education was mainly in French in the pre-independence period of these three countries.

6. See N. Firjani, "Facilitation of Labor Exchange Between the Arab Countries" (Arabic), Al-Mustakbal-AL-Arabi (Beirut: Center for Arab Unity Studies), No. 39, May 1982, p. 35.

7. Assuming five dependents to each non-national Arab worker seems reasonable in the light of fertility rates in the region and the figures on workers and their dependents.

national authorities, international organizations, and individual researchers tend to vary in definitions, coverage and frequency of publication. Estimates of the size of the movement, as will be shown shortly, vary considerably. Because of this divergence in the estimates of intra-Arab labor movement, we survey and evaluate the main estimates, and then give a summary estimate of what is thought to be the more reliable figures for this movement:

A. Durham University-ILO Estimates⁸

This study presented, for the first time, a complete picture of intra-Arab labor movement in the mid-70's⁹. It was estimated that 3.5 million were affected by the movement, out of which 1.82 million were workers (the rest were dependents). However, the statistics do not, at best, extend beyond 1977, and the base year was 1975. The study examined the labor market in the different Arab countries and the effect of intra-Arab labor movement on "occupational mobility". Jordan and Egypt represented two extremes, where

8. J. S. Birks and C. A. Sinclair, International Migration and Development in the Arab Region (Geneva: International Labor Organization (ILO), 1980). The first stage of this study was carried out through a series of papers and country studies published by the Economic Department of Durham University (U.K.), under the auspices of ILO since 1976, which covered most of the Arab countries exporting or importing labor (Egypt, Sudan, Kuwait, Bahrain, Qatar, UAE, Oman, Saudi Arabia, Libya, Yemen and Jordan). It also studied labor migration from Syria, which received little attention before. However, it did not cover Iraq, which was, until the mid-70's, not an important net importer of labor. These papers and studies were then edited in 1978 and published in the book referred to in this footnote, giving the main findings of these studies, with some theoretical conclusions about the mechanisms and prospects of the temporary migration and labor movement from within and from outside the Arab region. (See Saadeldin and Abdul-Fadhil, Arab Labor Movement, op. cit., p. 23.)

9. It excluded Iraq, which became an important labor-importing country in the late 70's and early 80's.

the first is highly dynamic and has internal readjustment within the labor market to compensate for the export of certain types of manpower, thus resulting in efficient replacement, while the labor market in the latter is quite immobile¹⁰. The study also touched upon illegal movement, which is considered an important component of intra-Arab labor movement. It is believed to be extensive from Egypt and Tunisia to Libya, and to Saudi Arabia during the pilgrimage season.

The two major researchers performed an independent study projecting demand and supply for Arab labor in 1980 and 1985¹¹ (see Table 2.2, p. 42).

Table 2.2 gives details of the "actual" employment in 1975 in the six major Arab labor-importing countries, as well as "projections" of employment for 1980 and 1985. Total employment was around 3.3 million in 1975, of which 1.6 million (about 50%) were non-nationals (Arabs and non-Arabs). In some of these countries, non-national employment (the difference between supply and demand) was very high, about 85% in UAE, just over 81% in Qatar, and over 69% in Kuwait. In the three other countries, expatriate employment amounted to between 40-43%.

Employment in these countries was projected at about

10. Birks and Sinclair, Arab Manpower, op. cit., pp. 350-354.

11. Birks and Sinclair, Arab Manpower, op. cit., Chapter 20. It should be pointed out that these researchers are not unaware of other migration models. Analysis of relative real wages was not possible due to the lack of data on wages and the cost of living. Cost-benefit analysis was discussed but the authors considered it inappropriate in the Arab region.

4.3 million in 1980 and 5.2 million in 1985, of which non-nationals were estimated to constitute about 56 and 59% respectively of total employment, thus an increase over the 50% ratio in 1975. With the exception of Kuwait and Bahrain, the percentages of non-nationals in total employment was expected to increase, according to these projections, in the four remaining countries.

Total Arab migrants abroad working in other Arab countries in 1975 was estimated at 1.3 million, which was about 75% of total non-national manpower in Arab labor-importing countries (see Table 2.3, p. 43). The number of intra-Arab migrants (moving from one Arab country to another Arab country) was projected at 1.9 million in 1985, according to one scenario, and 1.2 million according to another scenario, for the demand for manpower in these six oil-exporting (labor-importing) countries (see Table 2.4, p. 44). The first assumes maximum penetration for Arab labor where all those able and willing to move will obtain work in the Arab oil-exporting countries. The second assumes that manpower importers are more selective in choosing the employees' nationalities. In the second case, Arab manpower will remain the same and new jobs will be offered to non-Arabs. The authors believe that this second scenario is closer to reality.

In these two scenarios, the percentage of Arab migrants to the total non-national manpower in these six countries would decline from 75% in 1975 to 63% in the first scenario,

and to 41% in the second, while the non-Arab migrants in these countries would increase in absolute and relative terms.

This study was the first comprehensive one examining the labor markets in the Arab labor-importing countries and future demand and supply for labor. Nevertheless, the projections of the study for 1980 and 1985 suffer from some serious shortcomings:

1) The study did not include Iraq.¹² Although in 1975 Iraq was not an important net importer of labor, the picture changed dramatically later, which reduced the usefulness of these projections. According to one authoritative researcher, total Egyptian labor force working in Iraq in 1976, as revealed in the 1977 population census in Egypt, was 74 thousand, which increased to 600 thousand in 1980, and to 1.5 million in 1982.¹³ The Egyptian Minister for Migration of Egyptians Abroad made a statement in 1983 to the effect that total Egyptians in Iraq, according to the count made by the Egyptian Ministry of Foreign Affairs, was 1.25 million, and that they constituted 42% of Egyptians working abroad.¹⁴ Thus, even allowing for dependents, which are not many in the case of Egyptians working

12. See Saadeldin and Abdul-Fadhil, Arab Labor Movement, op. cit., p. 23.

13. See A. Ezzuldin, The Egyptian Labor Force Migrations to Iraq: Study From the Point of View of the Country of Origin (Baghdad: unpublished 1982), which was quoted by M. Khalil, "On the Experience of Iraq in Imported Labor" in N. Firjani (ed.), Foreign Labor Force in Arab Gulf Countries (Arabic) (Beirut: Center for Arab Unity Studies, 1983), p. 456.

14. See Al-Ahram Newspaper, 19 March 1983 (Cairo) referred to in Saadeldin and Abdul-Fadhil, Arab Labor Movement, op. cit., p. 71.

in Iraq, the omission of Iraq meant a serious underestimation of projected Arab migrant employees in Arab labor-importing countries in 1980 and 1985.

2) The projections were made on the assumption that "by 1975 the majority of Arabs from the countries of origin who were able and willing to migrate, and whose skills were employable in the labor-importing states, were already abroad," and consequently extra Arab migrants in the market are projected to increase by, in most cases, 3% per annum from 1975 to 1985¹⁵. We have already shown above how, in the case of migrant Egyptian labor force in Iraq, this assumption was not realistic and not supported by future events.

3) The projections for labor demand in each of these countries at the time the study was made in the late 70's "is based upon the growth of total employment between 1970 and 1975, amended in view of development plans, major projects, stated objectives and success in meeting past deadlines"¹⁶. Thus, these projections could not foresee the glut in the oil market and the decline in oil production in these countries, as well as in the prices of oil, which resulted in drastic declines in oil revenues from 1981 to present. This decline in the oil revenues of these labor-importing countries resulted in scrapping their previously prepared development plans or scaling them down drastically. As a result, many development projects were

15. See Birks and Sinclair, Arab Manpower, op. cit., p. 359.

16. See *ibid*, p. 357.

cancelled or shelved. Therefore, the 1985 projections of the demand for labor, and the non-national component of it, are likely to be affected by these recent developments in the oil market.

Regardless of these reservations, the 1975 estimates for labor migration to major Arab oil-exporting countries remains the first and pioneering breakthrough in this field, which enabled later improvements and refinements to be made, as will be shown later.

B. World Bank Estimates¹⁷

This 1981 report is considered the most important study published by the international organizations on labor migration to the Arab countries. The report was the product of a huge research project, which lasted several years, to study the phenomenon of labor migration in the Middle East and North Africa. A large number of experts and researchers participated in this study, including those who led and supervised the Durham-ILO study on labor migration in 1975.

This study is distinguished from previous ones in that it did not confine itself to the study of the size, source, directions and characteristics of international labor migration in the base year only¹⁸. It aimed, in addition, at estimating employment by sectors and professions in the

17. See I. Serageldine et. al., Manpower and International Labor Migration in the Middle East and North Africa. (Washington, D.C.: World Bank, Technical Assistance and Special Studies Division, 1981), Final Report.

18. See Saadeldin and Abdul-Fadhil, Arab Labor Movement, op. cit., p. 35.

major oil-exporting/labor-importing countries in the region during 1975-1985, and also expected employment requirements in the major Arab labor-exporting countries by sectors and professions. It also included projections for the size of domestic supply of labor force in each of the labor-exporting and labor-importing countries in order to estimate deficits and surpluses of labor force in the different sectors and professions in the Arab countries covered by the study. On the basis of these estimates and projections, an estimate was made of the size, source, direction and characteristics of future labor migration until 1985, starting from 1975, whether from within the Arab region or from outside it.

In estimating the manpower needs in the major oil exporting countries and in the major labor-exporting countries by sector and profession during the period 1975-1985, the study assumed two alternative growth rates: a high growth rate reflecting the assumed rate in the development schemes by each country, and a low growth rate related to the actual rates that were achieved prior to 1975. See Tables 2.5 and 2.6, pp. 45-47.

Somalia, Mauritania, Djibouti and Palestine (occupied West Bank and Gaza) were excluded from the report. The study includes Iran, a non-Arab country.

Table 2.6 gives total labor requirements in the Arab World, with very few and minor exceptions, for 1975 and 1985 (the latter are projections based on high and low economic

growth). According to these estimates, demand for labor will increase from 33.2 million in 1975 to 41.1 million in 1985 on the assumption of low economic growth, and to 45.1 million with high economic growth. Labor requirements during these 10 years were estimated to increase at an annual average compound rate of 2.1 in the case of low growth, and 3.1 in the case of high growth.

Table 2.7, p. 48, shows employment of nationals and non-nationals by Arab labor-importing countries in 1975 and 1985. Total non-national labor force in 1975 was 1.6 million and was projected at 3.4 and 4.1 million respectively in 1985, according to low and high economic growth. Total non-national labor in 1975 in the six major Arab labor-importing countries covered by the Durham-ILO study was 1.5 million, compared with the Durham-ILO estimate of 1.65 million (see Table 2.2). For 1985, labor demand for these six countries was projected by the World Bank study at 3.0 and 3.3 million (according to the low and high economic growth), compared with 3.07 million projected by the Durham-ILO study for that year. Although the total figures of the two estimates for the base year (1975), and projected total figures for 1985, are quite close, figures for individual countries vary significantly.¹⁹ Figures for

19. For example, Durham-ILO's study gives non-national labor in Saudi Arabia in 1975 at 0.773 million, and projected non-national labor in 1985 at 1.465 million, while the World Bank's study gives for 1975 a figure of 0.668 (14% lower than the former study), and for 1985 two figures of 1.49 and 1.68 million (both higher than the former study by 2% and 15% respectively).

total employment in these six countries varied considerably between the two studies also; it was estimated by the Durham-ILO study at 3.32 million in 1975 and 5.2 million in 1985, compared with 3.45 in 1975 and 5.5 and 6.0 million in 1985 according to the latter study.

Percentage of non-nationals in total manpower in 1975 was estimated at 44% in the seven major Arab labor-importing countries, and 53.7 and 56.8% in 1985 (according to low and high growth), as shown in Table 2.7, compared with 49.7% in 1975 and 58.6% in 1985, according to the Durham-ILO study, in Table 2.2. Thus the percentage of non-national labor both in the base year, 1975, and in 1985 is higher in the Durham-ILO study.

The figures shown in Tables 2.6 and 2.7 of non-national labor in Arab labor-importing countries do not include dependents accompanying these migrant workers. According to the World Bank study, the crude activity rate of the migrant population in these countries was 51.2% in 1975, which was quite high, the crude activity rate is likely to decline to 32.6% in 1985 as a result of more dependents joining their family heads²⁰ (see Table 2.8, p. 49). Accordingly, the study estimates that total migration of workers and their dependents in the Arab labor-importing countries will increase from 3.1 million in 1975 to between 9.6 or 10.9 million in 1985 (according to the low and high economic growth assumed), as shown in Table 2.8.

20. The crude activity rate is defined as the ratio of the work force to the population.

Table 2.9, p. 50, shows the employment of nationals and non-nationals in the major Arab labor-importing countries by economic sectors. The table shows that in 1975 over three-quarters (about 78%) of the migrant workers were concentrated in three sectors; construction (35%), trade and finance (14%), and services (29%). These three sectors were predicted to continue to dominate the occupations of migrant workers in these countries, according to high and low economic growth respectively.

Table 2.10, p. 52, shows the employment of nationals and non-nationals in the major Arab labor-importing countries by occupational level in 1975 and 1985. The two categories of "semi-skilled office and manual" and "unskilled" absorbed about 67% of non-national workers in these countries in 1975, and were expected to continue to absorb between 58-60% of total non-national workers in 1985.

Table 2.11, p. 53, gives a breakdown of migrant workers in the Arab labor-importing countries by country of origin. Though the table includes Algeria and Iraq as labor-importing countries, they can be neglected as far as 1975 is concerned as total labor imported by both of them in 1975, according to this study, was about 10 thousand only. Thus, for 1975 this table reflects more or less the picture of the seven major Arab labor-importing countries. Of the total migrant workers of 1.61 million in 1975, about 0.57 million (or just over 35%) were non-Arabs. In 1985, the percentage of non-Arab migrants in all the Arab labor-importing

countries (including Algeria and Iraq) was projected as between 48%-51% of total migrant workers in these countries, according to the low and high economic growth scenarios.

In conclusion, although the data available to the research team for this study enabled them to produce the best study available on this subject so far, the study has certain shortcomings.

1) The study was confined to intra-Arab migration only and did not cover international Arab brain drain to outside the Arab World, especially to Western Europe, Canada, U.S.A. and Australia.²¹ It also did not cover the mass labor migration from North Africa, especially from Morocco, Algeria and Tunisia, to work in France and other European Community countries. Non-Arab African migration to Arab countries, especially to Sudan from Nigeria and Chad, was also not covered.²²

2) The study covered Iran, a non-Arab country, without convincing reasons.²³ This resulted in some distortion in the over-all picture of intra-Arab migration and needed special calculations to exclude Iran from the picture.

The study paid very little attention to Algeria

21. Although such coverage is within the scope of my report, it limits the usefulness of this study in a wider scope of investigation when Arab labor migration is considered as a whole.

22. See Saadeldin and Abdul-Fadhil, Arab Labor Movement, op. cit., pp. 53-54.

23. The study justified the inclusion of Iran on the ground that Iran participated in the labor market of the region. In fact, the Iranian participation in the immigrant labor force in the Arab World was less than that from India and Pakistan, which were not covered by the study.

and Iraq.²⁴ As explained earlier, labor migration from Algeria to the countries of the European Community was very important, and labor migration to Iraq became more serious and important from 1980 onward.

4) It is believed that the number of Egyptians, Jordanians and Sudanese working in the Arab countries, as estimated by the World Bank Study in 1975, is underestimated, as revealed by comparison with data available from national sources in these countries.²⁵

5) Finally, the projections for employment in 1985, for both nationals and non-nationals, could not foresee the decline in oil revenues, which started in 1981 and continued to 1985 (as shown in Table 1.7). While the GNP of the Arab World increased at an average annual rate of 41.7% during the first half of the 70's, and by 23.1 during the second half of the 70's, it increased at an average annual rate of 1.2% only between 1980-1982 and recorded about 5.5% decline in 1983.²⁶ These actual growth rates in the Arab countries in the 80's are far below both the high and low economic growth rates assumed by the World Bank study in their projections for the year 1985.

However, the "Model" constructed and used by that study could be reused and fed by the new realistic rates of growth to project the employment figures, including non-nationals, for 1985 and after. Moreover, the figures for the base

24. See *ibid*, pp. 55-56.

25. See *ibid*, pp. 56-57.

26. See The Unified Arab Economic Report, *op. cit.*, p. 27.

year, 1975, could be refined and adjusted on the basis of the population census carried out during the last decade in many of these labor-importing and exporting countries.

C. Other Estimates

There are other estimates of the size of intra-Arab labor movement but they are mostly confined to one particular year and/or represent refinement of the two previous estimates. The most important of these other estimates are:

1) IMF Estimate. The International Monetary Fund gave, in its 1975 Survey, estimates of labor migration from and to the Arab countries in 1977.²⁷ While the figures of labor exports from Arab labor-exporting countries refer to Arabs, those of Arab labor-importing countries refer to Arab and non-Arab imported labor. Table 2.12, p. 54, shows the IMF estimates for 1977, showing total labor exports at 1.35 million and total labor imports (including non-Arab labor) at 1.635 million.

This estimate does not include migrant labor from the labor-exporting countries of Tunisia, Syria and Lebanon, nor does it include estimates for labor imports to Iraq. The coverage of this estimate is therefore incomplete.

2) Abdul-Fadhil's and Saadeldin's Estimate. M. Abdul-Fadhil is a pioneering Arab researcher in this field. First, in his book Oil and Arab Unity, published in

27. International Monetary Fund (IMF), International Monetary Fund Survey (Washington, D.C.: IMF, 4 September 1978), pp. 260-262.

1979, he gave a revised set of figures for Arab labor migration using the Durham-ILO estimates and improving on them through other national statistics that were or became available to him.²⁸ His figures were for the year 1977, with few figures for 1975. His first estimate is shown in Table 2.12. Total Arab labor migration was estimated at 2.126 million.

In a later joint book with Ibrahim Saadeldin, Arab Labor Movement, published in 1983, and after thorough discussion and evaluation of both the Durham-ILO and World Bank estimates, and making use of population census figures that became available after the publication of those two studies, as well as other national statistics, the two authors prepared a detailed matrix table for labor migration in the Arab region for 1980. Total intra-Arab labor migration in 1980 was estimated at 2.283 million, plus 1.069 million imported Asian labor to the region, giving a general total of 3.352 million in 1980. Table 2.12 shows a summary of this estimate. Their estimated total imported labor to the Arab region in 1980 of 3.352 million compares with a projected figure of 2.394 million for 1980 as estimated by Durham-ILO, referred to earlier and shown in Table 2.2. This new estimate for 1980 is also very close to the World Bank projected estimate of total non-national employment in the Arab labor-importing countries in 1985 (3.396 million),

28. See M. Abdul-Fadhil, Al-Naft WA Al-Wahdah Al-Arabiyyah (Arabic) (Oil and Arab Unity) (Beirut: Center for Arab Unity Studies, 1979), p. 30.

based on low economic growth.

These co-authors' estimates for 1980 are believed to be superior to any other estimates for 1980 published so far and could provide a good new base for projection of later years. However, the new estimate is confined to a matrix table of intra-Arab labor migration, with gross figures for imported Asian labor. It does not give details for this non-national employment by economic sectors and professions, which makes its use and usefulness rather limited.

3) Jalal-El-Din's Estimates. In a very recent attempt, Mohammad Al-Awadh Jalal-El-Din prepared an estimate of labor migration into the major Arab labor-importing countries for the year 1983.²⁹ New sources of information became available to him and he also relied upon, in estimating imported Asian labor, statistics released by the Asian labor-exporting countries, with due checking and verifying. Table 2.12 shows his estimate of Arab and non-Arab labor imports by the major Arab labor-importing countries in 1983, which is about 3.140 million Arab workers, and 2.250 million Asian workers, giving a total of 5.390 million. Total migrant population (including dependents) was estimated at 4.85 million Arabs and 3 million Asians, giving a total of 7.85 million. His estimated total non-national employment in 1983 (5.4 million) exceeds the projected estimate for 1985 by Durham-ILO estimates (3.1

29. See M. A. Jalal-El-Din, "Labor Imports in the Arab Countries: Present Situation and Future Prospects," Al-Mustakbal Al-Arabi (Beirut: Center for Arab Unity Studies) No. 74, April 1985, pp. 80-97.

million), and both low and high growth estimates of the World Bank for that year (3.4 and 4.1 million respectively).

D. General Evaluation of the Estimates. As the previous analysis and evaluation of the three estimates have shown, the World Bank Study remains the most comprehensive and sophisticated one available so far. However, the analysis has also shown that it suffers from two main shortcomings: the incomplete coverage and some shaky estimates for the base year, 1975, and a need for revising its low and high economic growth rates used in the projections, especially for 1985 after the major decline in oil revenues and the slowdown in the growth of GNP in the Arab countries explained earlier. Since the first two estimates were made, a number of labor-importing and labor-exporting countries carried out population censuses, with information on labor migration and imports, and the results of these censuses have been released during the last few years. Other partial national statistics on labor migration also became available. This should enable researchers and international organizations interested in studying this phenomenon to prepare better estimates for 1980 as a base year and then make more informed projections for 1985 and 1990 in the light of the new realities in the economies of both Arab labor-importing and exporting countries.

E. Prospects of Intra-Arab Labor Movement.

Oil revenues of the seven Arab major oil-exporting countries reached a peak in 1980 (about 206 billion dollars)

and started declining steadily due to decrease in oil production and exports forced upon them by the glut in international oil markets.³⁰ Oil revenues declined to about \$187 billion in 1981, to about \$135 billion in 1982, and to about \$97 billion in each of 1983 and 1984, which is less than half of what it was four years before in 1980.³¹

This decline in oil revenues resulted in cutbacks in the development programs of these countries, with consequent effects on the demand for imported labor force.

I believe that the international oil market will not enable the Arab oil-exporting countries to recover to their 1979 level of production (the highest in terms of volume) before the late 1990's, and that meanwhile economic growth is likely to slow down in the major Arab oil-exporting countries.³² This will no doubt have its effects on the total demand for imported labor in the Arab labor-importing countries.

This has already started and a number of people working in the Arab Gulf Countries are returning home. The Egyptian Minister of Manpower recently indicated that he expects the number of Egyptians working in the Arab Gulf Countries to

30. Algeria, Kuwait, Libya, Iraq, Qatar, Saudi Arabia, and United Arab Emirates.

31. See R. Mabro, "Economic Effects of the Decline in Energy Demand on the Arab World." Paper submitted to the Third Arab Energy Conference, Algeria, 4-9 May 1985, and published in Al-Mustakbal Al-Arabi (Beirut: Center for Arab Unity Studies) No. 78, August 1985, p. 60.

32. See *ibid*, pp. 63 and 69.

decline in the near future by about 15%.³³ Press reports from Arab labor-importing countries seem to support this view in general, which also applies to imported Arab labor force other than Egyptians.³⁴

Although it is difficult to predict with a reasonable degree of precision the size of the intra-Arab labor movement during the next 10-15 years, and regardless of the fact that predictions of future labor requirements by major Arab oil-exporting countries, prepared by the World Bank and others, need to be scaled down in light of recent declines in oil revenues, it is believed that considerable numbers will continue to be employed by major Arab oil-exporting countries and imported from other Arab countries for the rest of this century. Hence, the discussion in this paper on the economic effects of this labor movement within the Arab World will remain useful, even with different magnitudes.

33. See Al-Sharq Al-Awsat Newspaper (The Middle East), 8 August 1985, p. 4.

34. See Al-Nahar Newspaper (THE DAY), 8 August 1985 (Beirut), p. 1, according to which Libya is giving to expatriate labor a choice between adopting the Libyan nationality, thus not transferring any money outside Libya, or leaving the country. As a result, many of them have left.

Table 2.1
Intra-Arab Labor Movement before the 1973 Oil Price Rise^(a)
(in thousands)

Labor-Importing Countries	Year	Labor-Exporting Countries					Other Arab Countries	TOTAL
		Yemen	Egypt	Syria	Jordan ^(b)	Lebanon		
United Arab Emirates	1968	--	11	7	14	--	4	43
Bahrain	1971	2	--	--	4	--	4	16
Libya	1973	--	61	6	8	8	24	107
Oman	1973	--	--	--	--	--	--	2 ^(c)
Qatar	1970	--	--	--	--	--	--	24 ^(c)
Kuwait	1970	7	18	13	41	8	24	121
Lebanon	1970	--	5	34	8	--	--	47
Saudi Arabia	1970	225	--	40	50	30	--	345
TOTAL		234	95	100	125	46	56	705 ^(d)

-- Figures are unavailable.

(a) The table pertains to figures of income-earning migrants and excludes their dependents.

(b) It includes figures for Jordanians and Palestinians.

(c) No breakdown by countries of origin is available.

(d) It includes 26,000 for Oman and Qatar, which appear in the column total but not in the row total (see footnote 3).

Source: Ibrahim, S. The New Arab Social Order. (Arabic) Beirut: Center for Arab Unity Studies, 1982, p. 64, (also published in English: Westview Press Inc., Boulder, Colorado, 1982), and was estimated from Farrag, A. "Migration Between Arab Countries" in International Labor Organization (ILO), Manpower and Employment in the Arab Countries (Geneva: ILO, 1967).

Birks and Sinclair's Estimates: Employment in Six Major Arab Labor-Importing Countries
1975-1985
(in thousands)

*It excludes Iraq, which was not covered by the study.

1. Birks, J. S. and Sinclair, C. A. International Migration and Development in the Arab Region. ILO, Geneva: ILO, 1980, Table 8, p. 132.

2. Birks, J. S. and Sinclair, C. A. Arab Manpower: The Crisis of Development. London: Croom Helm, 1980, Tables 20-3 and 20-4, pp. 358-9.

Table 2.3.

Birks' and Sinclair's Estimates: Number of Intra-Arab
Migrants in 1975 and Projected Numbers for 1985 by
Country of Origin

Country of Origin	1975 Number of Migrants	Once and for All Increase	Annual Growth of Migrants Abroad (%)	1985 Number Available
Egypt	397,545	50,000	3.0	601,600
Yemen (YAR)	290,128	15,000	3.0	409,200
Jordan and Palestine	264,717	20,000	3.0	382,500
Yemen (PDRY)	70,630	--	3.0	95,000
Syria	70,415	--	3.0	95,000
Lebanon	49,661	5,000	3.0	73,000
Sudan	45,873	10,000	3.0	75,000
Tunisia	38,649	40,000	3.0	115,000
Oman	38,413	--	3.0	51,000
Iraq	20,625	--	-3.0	11,000
Somalia	6,547	5,000	3.0	15,000
Morocco	2,529	--	3.0	3,300
Algeria	18	--	--	--
Total	1,295,750	--	4.0	1,926,600

Source: Birks and Sinclair. Arab Manpower. op. cit.,
Table 20.5, p. 360.

Table 2.4

Birks' and Sinclair's Estimates: Resolution of Labor Demand and Supply
in the Capital-Rich Arab Countries, 1975 and 1985

	1975		1985	
			Scenario One:	
	Number	Percent	Maximum Penetration in the Capital-Rich Countries	Percent
			Number	Percent
Total Labor Demand	3,319,900	100.0	5,212,500	100.0
of which nationals	1,670,800	50.3	2,156,500	41.4
Residual Demand for Migrants	1,649,100	100.0	3,056,000	100.0
of which Arabs	1,236,600	75.0	1,926,600	63.0
Asians	277,500	16.8	500,000	16.4
Oriental	14,600	0.9	489,400	16.0
European and American	34,300	2.1	70,000	2.3
Iranians	86,100	5.2	70,000	2.3
			1,179,400	38.6
			500,000	16.3
			1,236,600	40.5
			3,056,000	100.0
			2,156,500	41.4
			5,212,500	100.0

Source: Birks and Sinclair. Arab Manpower. op. cit., pp. 361-62.

Table 2.5

World Bank Estimates: Economic Growth Rates in the Arab World
by Country, 1976-85

Country	Base Year	Currency	High economic growth (%)	Low economic growth (%)
Algeria ^a	1974	DA (dinars)	9.7	6.8
Bahrain ^a	1977	BD (dinars)	11.2	8.6
Egypt ^a	1975	LE (pounds)	8.4	6.1
Iraq ^a	1975	ID (dinars)	11.3	10.3
Jordan	1975	JD (dinars)	7.2	5.4
Kuwait ^a	1975	KD (dinars)	6.0	5.6
Lebanon ^b	1976	US\$ (U.S. dollars)	1.1	1.1
Libya	1975	LD (dinars)	11.6	8.7
Morocco ^a	1969	MD (dirhams)	5.4	4.2
Oman ^{a,b}	1975	RØ (rials)	4.7	4.7
Qatar ^a	1975	QR (riyals)	8.6	7.4
Saudi Arabia ^a	1969	SR (riyals)	10.6	8.6
Sudan	1974-75	LSud (pounds)	4.8	3.7
Syria	1975	LSyr (pounds)	6.1	4.4
Tunisia	1975	TD (dinars)	6.3	4.1
U.A.E.	1975	Dh (dirhams)	11.6	9.4
Y.A.R.	1975	YR (rials)	7.8	5.6
P.D.R.Y.	1975	YD (dinars)	9.9	5.9

Note: The fractions of a percentage in the growth rates tend to reflect the method of calculation, rather than accuracy to 0.1 percent. All economic growth rates are calculated in local currency deflated to constant prices.

a. In the calculation of growth rates for these oil-exporting countries, the mining and quarrying sector, predominantly hydrocarbons, has been excluded to avoid distortions.

b. Only one scenario has been calculated for Lebanon and Oman.

Source: Ismail Serageldin et. al. Manpower and International Labor Migration in the Middle East and North Africa. Washington, D.C.: World Bank, Technical Assistance and Special Studies Division, 1981, Final Report, Table 2.1, p. 12.

Table 2.6

World Bank Estimates: Total Labor Requirement in the Arab World :
Annual Average Compound Growth Rate and Overall Percentage Increase
1975 and 1985

Country	1975				1985, high economic growth				1985, low economic growth			
	Labor requirement	% share	Labor requirement	% share	Annual average compound rate	Overall % increase	Labor requirement	% share	Annual average compound rate	Overall % increase	Labor requirement	% share
Algeria	3,083	9.3	4,511	10.0	3.9	46.3	3,954	9.6	2.5	28.3	3,954	9.6
Bahrain	79	0.2	150	0.3	6.7	89.9	129	0.3	5.0	63.3	129	0.3
Egypt	9,433	28.6	13,006	30.2	3.3	37.9	11,836	28.7	2.3	25.5	11,836	28.7
Iraq	3,008	9.1	4,566	10.0	4.3	40.2	4,302	9.7	3.6	32.3	4,302	9.7
Jordan	374	1.1	439	1.0	1.6	17.4	425	1.0	0.8	13.6	425	1.0
Kuwait ^a	297	0.9	414	0.9	3.4	39.4	393	0.9	2.8	32.3	393	0.9
Lebanon ^a	550	1.6	599	1.3	0.8	8.9	599	1.5	0.8	8.9	599	1.5
Libya	735	2.2	1,414	3.1	6.7	92.4	1,260	3.1	5.5	71.4	1,260	3.1
Morocco ^a	4,308	13.0	5,145	11.4	1.8	19.4	4,932	12.0	1.4	14.5	4,932	12.0
Oman ^a	192	0.6	257	0.6	3.0	33.9	257	0.6	3.0	33.9	257	0.6
Qatar	74	0.2	136	0.2	6.3	83.8	133	0.2	6.1	79.7	133	0.2
Saudi Arabia ^b	1,968	5.9	3,245	7.2	5.1	64.9	3,055	7.4	4.5	55.2	3,055	7.4
Sudan	3,700	11.1	3,898	8.6	0.5	5.4	3,502	8.5	-0.6	-5.4	3,502	8.5
Syria	1,794	5.4	2,605	5.8	3.8	45.2	2,162	5.3	1.9	20.5	2,162	5.3
Tunisia	1,599	4.8	2,242	5.0	3.5	40.2	1,978	4.8	2.2	23.7	1,978	4.8
U.A.E. ^b	292	0.9	632	1.4	8.0 ^c	116.4	570	1.4	6.9	95.2	570	1.4
Y.A.R. ^b	1,361	4.1	1,312	2.9	-0.4 ^c	-3.6	1,220	3.0	-1.1	-10.4	1,220	3.0
P.D.R.Y.	357	1.1	510	1.1	3.5	42.9	407	1.0	1.2	14.0	407	1.0
Total	33,204	100.0	45,081	100.0	3.1	36.0	41,114	100.0	2.1	24.0	41,114	100.0

Table 2.6 - Page 2

* It excludes Somalia, Mauritania, Djibouti and occupied Palestine (West Bank and Gaza Strip). We have excluded from the table Iran, a non-Arab country, and all percentage shares and the total averages in the original table were recalculated and estimated.

a. Only one scenario was projected for Lebanon and for Oman.

b. The overall reduction in manpower requirements projected for Sudan under the low-growth scenario and for the Y.A.R. under both high- and low-growth scenarios results from a decline in agricultural requirements which is larger than the increase in the nonagricultural growth in manpower requirements. The nonagricultural manpower requirements for Sudan (low growth) rise by 2.3 percent (annual average compound), giving an overall increase of 27 percent over the projection period.

In the Y.A.R. (high growth) nonagricultural manpower requirements are projected to rise at 4.8 percent (annual average compound) with an overall increase of 61 percent. Under the low-growth scenario, the figures are 3.2 percent and 38 percent, respectively.

Source: Estimated from: Ismail Serageldin et. al. Manpower and International Labor Migration in the Middle East and North Africa. op cit., Table 3-1, p. 15.

Table 2.7

World Bank's Estimates: Total Employment of Nationals and Non-nationals
by Arab Labor-importing Countries, 1975 and 1985

Country	1975				1985, high economic growth				1985, low economic growth			
	Nation- als	Non- Nation- als	Total	Non- Nation- als (% of total)	Nation- als	Nation- als (% of total)	Total	Non- Nation- als (% of total)	Nation- als	Nation- als (% of total)	Total	Non- Nation- als (% of total)
Bahrain	49.6	29.1	78.7	37.0	69.5	81.4	150.9	53.9	69.4	59.8	129.2	46.3
Kuwait	86.9	210.6	297.5	70.8	140.4	273.4	413.8	66.1	140.4	252.4	392.8	64.3
Libya	454.1	280.4	734.5	38.2	695.1	719.3	1,414.4	50.9	676.2	583.8	1,260.0	46.3
Oman	88.9	103.2	192.1	53.7	149.8	107.0	256.8	41.7	151.1	105.7	256.8	41.2
Qatar	12.5	61.3	73.8	83.1	18.9	116.7	135.6	86.1	18.9	114.6	133.5	85.8
Saudi Arabia	1,300.0	668.4	1,968.4	34.0	1,565.2	1,679.9	3,245.1	51.8	1,565.2	1,489.6	3,054.8	48.8
U.A.E.	44.6	247.8	292.4	84.7	61.6	570.7	632.3	90.3	61.6	508.0	569.6	89.2
Subtotal	2,036.6	1,600.8	3,637.4	44.0	2,700.5	3,548.4	6,248.9	56.8	2,682.8	3,113.9	5,796.7	53.7
Algeria	3,073.1	9.8	3,082.9	0.3	4,247.5	263.1	4,510.6	5.8	3,831.4	122.1	3,953.5	3.1
Iraq	3,007.6	0.0	3,007.6	0.0	4,253.2	248.4	4,501.6	5.5	4,097.9	159.7	4,257.6	3.8
Subtotal	6,080.7	9.8	6,090.5	0.2	8,500.7	511.5	9,012.2	5.7	7,929.3	281.8	8,211.1	3.4
Total	8,117.3	1,610.6	9,727.9	16.6	11,201.2	4,059.9	15,261.1	26.6	10,612.1	3,395.7	14,007.8	24.2

Source: Ibid, Table 4-1, p. 26.

Table 2.8

World Bank Estimates: Migrant Population and Work Force in the Major Arab Labor-Importing Countries by Country of Origin, 1975 and 1985
(population and work force in thousands)

Country of origin	1975				1985				1985			
	Popu- lation	Work force	Crude activity rate	Popu- lation	high economic growth	Work force	Crude activity rate	low economic growth	Popu- lation	Work force	Crude activity rate	low economic growth
Algeria	0.5	0.3	60.0	0.4	0.3	75.0	0.4	0.2	0.4	0.2	50.0	
Egypt	620.3	353.3	60.0	2,318.6	711.5	30.7	2,016.1	603.4	2,016.1	603.4	29.9	
India	205.7	141.9	69.0	1,055.4	360.7	34.2	819.8	289.3	819.8	289.3	35.3	
Iran	142.4	69.9	49.1	418.3	115.6	27.6	364.6	98.1	364.6	98.1	26.9	
Iraq	47.0	18.7	39.8	57.2	12.4	21.7	54.9	11.6	54.9	11.6	21.1	
Jordan	503.0	139.0	27.6	1,138.9	257.4	22.6	1,145.9	263.9	1,145.9	263.9	23.0	
Lebanon	52.6	28.4	54.0	278.7	70.4	25.3	267.1	67.6	267.1	67.6	25.3	
Morocco	4.7	2.2	46.8	52.5	12.5	23.8	41.7	9.8	41.7	9.8	23.5	
Oman	56.9	30.8	54.1	145.4	46.0	31.6	142.5	44.6	142.5	44.6	31.3	
Pakistan	353.8	205.7	58.1	1,935.6	541.3	28.0	1,591.1	442.7	1,591.1	442.7	27.8	
East Asia	21.6	20.5	94.9	397.8	370.5	93.1	398.1	368.7	398.1	368.7	92.6	
Sudan	64.5	26.0	40.3	362.0	88.1	24.3	342.0	79.9	342.0	79.9	23.4	
Syria	104.6	38.1	36.4	412.4	96.1	23.3	381.2	86.9	381.2	86.9	22.8	
Tunisia	52.4	29.3	55.9	215.7	62.8	29.1	183.4	52.5	183.4	52.5	28.6	
Y.A.R.	607.6	328.5	54.1	773.9	400.8	51.8	751.2	381.0	751.2	381.0	50.7	
P.D.R.Y.	123.3	45.8	37.2	374.4	84.7	22.6	362.6	80.9	362.6	80.9	22.3	
Rest of world	166.9	122.4	73.2	974.5	317.3	32.6	701.5	232.7	701.5	232.7	33.2	
Total	3,127.4	1,600.8	51.2	10,911.5	3,548.4	32.5	9,564.1	3,113.8	9,564.1	3,113.8	32.6	

Source: Ibid, Table 6.1, p. 59.

Table 2.9

World Bank Estimates: Employment of Nationals and Non-nationals by Economic Sector
in the Major Arab Labor-Importing Countries, (a) 1975 and 1985

Sector	1975				1985, high economic growth				1985, low economic growth			
	Total employment	% per sector	% share	Total employment	% per sector	% share	Increase, 1975-85	% (b)	Total employment	% per sector	% share	Increase, 1975-85
							Number					Number
Agriculture												
Nationals	935.1	90.8	45.9	831.8	61.4	30.8	-103.3	-1.2	804.7	73.6	30.0	-130.4
Non-Nationals	94.9	9.2	5.9	521.5	38.6	14.7	426.6	18.6	288.5	26.4	9.3	193.6
Mining and Quarrying												
Nationals	41.6	63.2	2.1	46.3	45.2	1.7	4.7	1.1	47.6	46.5	1.8	6.0
Non-Nationals	24.2	36.8	1.5	56.1	54.8	1.6	31.9	8.8	54.8	53.5	1.8	30.6
Manufacturing												
Nationals	48.7	33.2	2.4	144.2	38.7	5.3	95.5	11.5	119.1	40.1	4.4	70.4
Non-Nationals	97.8	66.8	6.1	228.4	61.3	6.4	130.6	8.8	177.4	59.9	5.7	79.6
Utilities												
Nationals	28.7	53.8	1.4	44.6	41.0	1.6	15.9	4.5	44.9	43.3	1.7	16.2
Non-Nationals	24.6	46.2	1.5	64.0	59.0	1.8	39.4	10.0	58.7	56.7	1.9	34.1
Construction												
Nationals	153.2	21.3	7.5	376.2	30.3	14.0	223.0	9.4	396.6	31.7	14.8	243.4
Non-Nationals	563.9	78.7	35.2	865.2	69.7	24.4	301.3	4.4	853.1	68.3	27.4	289.3
Trade & Finance												
Nationals	163.5	42.4	8.0	261.8	37.5	9.8	98.3	4.8	255.4	38.9	9.5	91.9
Non-Nationals	221.6	57.6	13.8	435.7	62.5	12.3	214.1	7.0	401.3	61.1	12.9	179.7
Transport and Communications												
Nationals	122.2	51.1	6.0	185.0	41.4	6.8	62.8	4.2	181.7	43.7	6.8	59.5
Non-Nationals	116.8	48.9	7.4	261.7	58.9	7.4	144.8	8.4	233.9	56.3	7.5	117.1
Services												
Nationals	543.7	54.3	26.7	810.5	42.1	30.0	266.8	4.1	832.7	44.3	31.0	289.0
Non-Nationals	457.0	45.7	28.6	1,115.7	57.9	31.4	658.6	9.3	046.0	55.7	33.5	588.9
TOTAL												
NATIONALS	2,036.7	56.0	100.0	2,700.4	43.2	100.0	663.7	2.9	2,682.7	46.3	100.0	646.0
NON-NATIONALS	1,600.8	44.0	100.0	3,548.3	56.8	100.0	1,947.5	8.3	3,113.7	53.7	100.0	1,512.9

Table 2.9 - Page 2

- (a) They include: Bahrain, Kuwait, Libya, Oman, Qatar, Saudi Arabia and U.A.E.
(b) Average annual compound rate of increase.

Source: Ibid, Table 4-5, p. 32.

Table 2.10

World Bank Estimates: Employment of Nationals and Non-Nationals by Occupational Level in the Major Arab Labor-importing Countries, ^(a) 1975 and 1985

Occupational level	1975			1985, high economic growth					1985, low economic growth				
	Total employment	% per occupation	% share	Total employment	% per occupation	% share	Increase, 1975-85		Total employment	% per occupation	% share	Increase, 1975-85	
							Number	% ^(b)				Number	% ^(b)
Professional and technical													
Nationals	10.5	19.4	0.5	32.1	16.8	1.2	21.6	11.8	32.1	17.8	1.2	21.6	11.8
Non-nationals	43.5	80.6	2.7	158.7	83.2	4.5	115.2	13.8	148.1	82.2	4.8	104.6	13.0
Other professional													
Nationals	47.6	33.3	2.3	86.5	25.4	3.2	38.9	6.1	86.6	27.0	3.2	39.0	6.1
Non-nationals	95.4	66.7	6.0	253.6	74.6	7.1	158.2	10.3	234.5	73.0	7.5	139.1	9.4
Sub-professional and technical													
Nationals	13.8	20.3	0.7	47.6	21.5	1.8	33.8	13.2	47.6	22.5	1.8	33.8	13.2
Non-nationals	54.3	79.7	3.4	173.6	78.5	4.9	119.3	12.3	173.6	77.5	5.3	109.3	11.7
Other subprofessional													
Nationals	66.3	49.9	3.3	161.1	43.7	5.9	94.8	9.3	161.1	45.7	6.0	94.8	9.3
Non-nationals	66.6	50.1	4.1	207.7	56.3	5.9	141.1	12.0	191.1	54.3	6.1	124.5	11.1
Skilled office and manual													
Nationals	161.2	37.2	7.9	262.1	29.8	9.7	100.9	5.0	262.1	31.4	9.8	100.9	5.0
Non-nationals	271.9	62.8	17.0	618.6	70.2	17.4	346.7	8.6	573.1	68.6	18.4	301.2	7.7
Semi-skilled office and manual													
Nationals	347.2	52.6	17.0	691.4	51.7	25.6	344.2	7.1	672.5	53.6	25.1	325.3	7.1
Non-nationals	313.3	47.4	19.6	645.5	48.3	18.2	332.2	7.5	583.2	46.4	18.7	269.9	6.4
Unskilled													
Nationals	1,390.0	64.8	68.3	1,419.7	48.8	52.6	29.7	0.2	1,420.5	53.8	52.9	30.5	0.2
Non-nationals	755.9	35.2	47.2	1,490.5	51.2	42.0	734.6	7.0	1,720.4	46.2	39.2	464.5	4.9
TOTAL													
NATIONALS	2,036.6	56.0	100.0	2,700.5	43.2	100.0	663.9	2.9	2,632.5	46.3	100.0	645.9	2.8
NON-NATIONALS	1,600.9	44.0	100.0	3,548.2	56.8	100.0	1,947.3	8.3	3,114.0	53.7	100.0	1,513.1	6.9

(a) They include: Bahrain, Kuwait, Libya, Oman, Qatar, Saudi Arabia and U.A.E.

(b) Average annual compound rate of increase.

Source: Ibid, Table 4-9, p. 36.

Table 2.11

World Bank Estimates: Stock of Migrant Workers in the Arab
Labor-Importing Countries* by Country of Origin,
1975 and 1985

Country of origin	1975		1985, high economic growth				1985, low economic growth			
	Number	% share	Number	% share	% increase	% share of total change	Number	% share	% increase	% share of total change
Egypt	353.7	22.0	761.7	18.8	8.0	16.7	616.9	18.2	5.7	14.7
Iraq	18.7	1.2	12.4	0.3	-4.0	-0.3	11.6	0.3	-4.7	-0.4
Jordan	139.0	8.6	263.4	6.5	6.6	5.1	267.0	7.9	6.7	7.2
Lebanon	28.5	1.8	86.1	2.1	11.7	2.4	71.7	2.1	9.7	2.4
Morocco	2.2	0.1	12.5	0.3	19.0	0.4	9.8	0.3	16.1	0.4
Oman	30.8	1.9	46.0	1.1	4.1	0.6	44.6	1.3	3.8	0.8
Sudan	26.0	1.6	88.1	2.2	13.0	2.5	80.0	2.4	11.9	3.0
Syria	38.1	2.4	113.0	2.8	11.5	3.1	91.8	2.7	9.2	3.0
Tunisia	29.8	1.8	94.0	2.3	12.2	2.6	62.2	1.8	7.6	1.8
Y.A.R.	328.5	20.4	400.8	9.9	2.0	3.0	381.0	11.2	1.5	2.9
P.D.R.Y.	45.8	2.8	84.7	2.1	6.3	1.6	80.9	2.4	5.9	2.0
Subtotal of Arabs	1,041.1		1,962.7	48.4			1,717.5	50.6		
India	141.9	8.8	364.4	9.0	10.0	9.1	291.2	8.6	7.5	8.4
Iran	70.0	4.3	115.6	2.8	5.1	1.9	98.1	2.9	3.4	1.6
Pakistan	205.7	12.8	555.1	13.7	10.4	14.3	446.0	13.1	8.0	13.5
East Asia	20.5	1.3	383.9	9.5	34.0	14.8	369.9	10.9	33.5	19.6
Rest of world	130.8	8.2	677.9	16.6	17.9	22.2	472.8	13.9	13.7	19.1
GRAND TOTAL	1,610.0	100.0	4,059.6 ^(a)	100.0	9.7	100.0	3,395.5 ^(a)	100.0	7.7	100.0

* Arab Labor-importing countries are Algeria, Bahrain, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia, and United Arab Emirates.

(a) Does not include Algerians.

Source: Ibid, Table 5-1, p. 46.

Table 2.12

Other Estimates of Labor Migration
(in thousands)

1. Major Arab Labor- Exporting Countries:	International Monetary Fund (IMF) (1977)	Fadhil's First Estimate (1977) (a)	Fadhil and Saadeldin (1980)		Jalal El-Din (1983)		
			Arab	Non-Arab	Arab	Asian	Total
Jordan/Palestine	150	225	261.5 (b)	--	--	--	--
Tunisia	--	39	77.0	--	--	--	--
Syria	--	70	72.6	--	--	--	--
Sudan	50	174	84.5	--	--	--	--
Lebanon	--	50	61.9	--	--	--	--
Egypt	350	600	1,056.5	--	--	--	--
Yemen	500	600	510.1	--	--	--	--
Yemen, PDR	300	300	80.2	--	--	--	--
Oman	--	--	33.2	--	--	--	--
Others	--	68	45.5	--	--	--	--
TOTAL	1,350	2,126	2,283	--	--	--	2,283
2. Major Arab Labor- Importing Countries:							
U.A.E.	96	--	93.2	385.1	478.3	140	--
Bahrain	7	--	3.8	70.0	73.8	--	--
Libya	325	--	368.8	124.0	492.8	100	--
Oman	12	--	12.0	80.1	92.1	--	--
Qatar	19	--	19.7	37.1	56.8	--	--
Iraq	--	--	369.0	84.7	453.7	1,000	--
Kuwait	276	--	229.0	115.5	354.5	250	--
Saudi Arabia	100	--	1,090.5	153.0	1,243.5	1,500	--
Jordan	--	--	76.4	14.3	90.7	150	--
Yemen	--	--	20.4	5.3	25.7	--	--
Others	--	--	--	--	--	--	--

Table 2.12 - Page 2

TOTAL	1,635	--	2,282.8	1,069.1	3,351.9	3,140	2,250	5,390
-------	-------	----	---------	---------	---------	-------	-------	-------

(a) Figures for Tunisia, Syria, Lebanon and others are for 1975

(b) Including Morocco and Algeria.

Sources

For IMF Estimate:

International Monetary Fund. International Monetary Fund Survey. Washington, D.C.: IMF, 4 September 1978, pp. 260-262.

For Fadhil's First Estimate:

Mahmoud Abdul-Fadhil. Al-Naft-Wa-Al-Wahdah Al-Arabiyyah. (Arabic) (Oil and Arab Unity) Beirut: Center for Arab Unity Studies, 1979, p. 30.

For Fadhil and Saadeldin Estimate:

Saadeldin, I. and Fadhil, M. Arab Labor Movement. op. cit., pp. 70-71.

For Jalal El-Din estimate:

Jalal El-Din, M. "Labor Imports in the Arab Countries: Present Situation and Future Prospects," (Arabic) Al-Mustaqbal Al-Arabi, (Beirut: center for Arab Unity Studies) No. 74, April 1985, pp. 80-97.

III. ECONOMIC EFFECTS OF INTRA-ARAB LABOR MOVEMENT

This part of the report discusses briefly the effects of intra-Arab labor movement, both the positive and negative ones.

1. Effects of remittances as a source of foreign exchange to the labor-exporting countries.

Remittances are the most widely recognized benefit of labor exportation.¹ For the Arab countries supplying labor to the Arab oil-exporting countries, remittances not only bolster the volume of scarce foreign exchange earnings, but also provide a potential source of additional savings and capital formation. This has been especially significant for the poorest Arab labor-exporting countries (Egypt, Jordan and Arab Republic of Yemen). Remittances made by workers in the Arab oil-exporting countries have become a basic component of disposable national income in the labor-exporting countries. They were equivalent to 32% of GNP in Jordan (1976) and approximately the same in Yemen (1975).²

The overall impact of remittances on the balance of payments has been favorable. The additional flow of hard currency has alleviated the traditional foreign exchange shortages in the labor-exporting countries and helped

1. Workers' remittances are the value of the private transfers from workers residing abroad for more than a year.

2. See Birks and Sinclair, International Migration and Development in the Arab Region, op. cit., Tables 30, 60, pp. 147, 164.

cushion the adverse effects of the 1973 oil price increase.

There is strong evidence that the marginal propensity to remit of a migrant worker in the Arab World is inversely related to occupational level (and, hence, to educational attainment).³ The workers of low occupational status tend to endure poor conditions in the country of employment and may sustain high savings rates. Over a period of time, there is much to suggest that the propensity of these unskilled workers to remit falls.

Recorded figures of remittances are limited to those sent through official channels only. Because of the difference between the official and free market rates of exchange, migrant workers resort to transferring a good part of their savings illegally to their home country. It is especially difficult to define the values of remittances in kind. Table 3.1, p. 66, shows the recorded value of remittances of migrating workers between 1973-1980, through official channels only. The table shows that recorded remittances of Arab migrant workers increased six fold, from 1.1 billion dollars in 1973 to 6.7 billion in 1979. Figures available for Egypt, Jordan and Yemen (Arab Republic) for 1980 suggest that the increase in remittances was maintained through 1980 as well. As stated earlier, these remittances do not

3. See Serageldin, Manpower and International Labor Migration in the Middle East and North Africa, op. cit., p. 91.

include illegal cash remittances and remittances in kind, which are difficult to ascertain but thought to be significant.⁴

The decline in the volume of remittances received within the Arab World is inevitable. First, many Arab migrant workers, especially those in construction, are returning home, which affects remittance levels disproportionately. Second, real wages in the labor-importing countries are falling rapidly, which reduces remittances further. Third, the skilled and educated workers are settling in the labor-importing countries with their families and their remittances are falling.

2. Effects on consumption and imports in labor-exporting countries.

It seems that the amounts sent by workers to relatives for maintenance purposes are quite substantial in both rural and urban areas. This newly acquired purchasing power goes to satisfy some basic needs (i.e. food, clothing, etc.) as well as some postponed demand for consumer durables (i.e. T.V. sets, refrigerators, etc.). Consumer demand financed by remittances accruing to the top deciles goes to items of luxury consumption and services with high import content. This pushes up the overall propensity to import within the national economy.

4. Recorded value of remittances do not exceed 50% of total remittances. See Saadeldin and Abdul-Fadhil, Arab Manpower Movement, op. cit., pp. 76-7.

In the absence of hard data, one can only speculate that remittances played an important (but not exclusive) role in permitting a wide diffusion of the ownership of consumer durables. In Egypt the lower 50% of the income distribution in both urban and rural areas have a very high average rate of ownership of portable radios, gas cookers, fans, and black and white T.V. sets. Ownership of refrigerators, color T.V. sets, washing machines and vacuum cleaners is limited to households falling in the middle income range of the distribution. Private cars, deep freezers, no-frost refrigerators, dishwashers, air conditioners and video sets are much more limited to the top deciles in urban areas.⁵

The impact of remittances in the case of the top deciles of the distribution takes the form of "market deepening" for consumer durables, as consumers tend to substitute for their old possessions of home-made consumer durables newly imported goods of the most sophisticated variety. The expanding demand for durable goods by the new entrants takes the form of "market widening."

3. Effects on Investment in the Labor-Exporting Countries

Concerning the impact of workers' remittances on the pattern of investment in the home economy, this may be inferred from the pattern of use of workers' savings out of

5. See M. Abdul-Fadhil, Effects of Labor Migration on Income Distribution and Consumption Patterns in the Egyptian Economy, Cairo University/MIT, 1981, pp. 23 and 24.

remittances. In Egypt it is clear that preference among university and school teachers is heavily weighted towards more secure channels of investment such as real estate and time bank deposits (see Table 3.2, p. 68). Participation in the capital of new joint stock companies and/or starting new private business does not rank as high as other channels except in the case of construction workers.

Workers' remittances, accruing to the highly-paid migrants, played an important role in fueling the "speculative boom" in land and real estate in urban areas in the post-1973 period. In Egypt, as a result of the massive inflow of workers' remittances, coupled with the coming back of foreign companies and the lack of sufficient serviced urban land, there has been a significant increase in the cost of vacant land within urban areas.

4. Bottlenecks in labor markets in labor-exporting countries.

It was believed in the beginning of the intra-Arab labor movement that there would be advantages to both the labor-importing countries and the labor-exporting countries in the sense that it would meet the deficit in the former countries and relieve unemployment in the latter. Recent years have indicated clearly that this movement was selective and that it was limited to certain professional skills. As a result, a clear deficit in the supply of skilled and trained manpower is manifested in all labor-exporting countries. This in turn has led to

replacement migration on a tangible scale.⁶

Shortage of labor in some Arab labor-exporting countries also became noticeable even in unskilled labor. In the case of Jordan, replacement migration reached 80 thousand in 1980 (78% of which are Arabs and most of them Egyptians).⁷ Most of the workers are unskilled and work in construction, services and agriculture.⁸ In the Arab Republic of Yemen, the extreme shortage in the labor force led to the employment of children in services, in urban areas, and in agriculture in rural areas. In the late seventies, children were also employed in heavy labor, like road construction.⁹ The replacement migration was estimated at 50 thousand in 1979.¹⁰ The shortage in labor supply in the Arab Republic of Yemen was estimated at 38% of the total

6. Replacement migration is defined here as the filling of a vacancy created by the movement of a migrant who has left his/her country for a job opportunity abroad by the immigration of a national of another country. For example, in Egypt, the Arab Republic of Yemen, and Jordan, they had to import certain skills of workers from the Phillipines, Pakistan and elsewhere to replace the nationals of such skills who migrated from these countries.

7. See Saadeldin and Abdul-Fadhil, Arab Labor Movement, op cit., p. 103.

8. See J. Al-Anani and T. Abdul-Jaber, Tajrubat-AL-Ordun Wa-Siasatihi-Hawla-Intikal-AL-Quwa-AL-Amila (The Experience of Jordan and its policies towards labor movement) (Arabic) (Amman, Jordan: Labor Ministry, 1981) p. 122, and Al-Nabawi and S. Abu-Al-Shir, Hawalat-AL-Amileen-Fee-Dhao-Waqi-Hijrat-AL-Ordunyeen-Ila-AL-Karij (Workers' remittances in the light of Jordanian migration abroad) (Arabic) (Amman, Jordan: The Jordanian Central Bank, 1982).

9. See N. Firjani, "Exportation of Labor Force and Development: The Case of the Arab Republic of Yemen" (Arabic), Al-Mustakbal Al-Arabi (Beirut: Center for Arab Unity Studies), No. 35, January 1982, p. 91.

10. See F. Hwaidi, "Nugoush-Asria-Ala-Jidran-Sanaa" (Arabic) (Modern Designs on the Walls of Sanaa), Al-Arabi (The Arab) (Kuwait), No. 245, April 1979.

labor force demand in the five-year development plan (1976-1980).¹¹

In general, migration attracted the highly productive and efficient in each profession, leaving behind the less efficient and productive, with its consequent effect on the productivity in certain key sectors of the economy.¹² The resulting shortages in certain skilled and unskilled labor in the Arab labor-exporting countries forced wages in them upward.

5. Inflationary effects in labor-exporting countries

Remittances have also led to the emergence of a new pattern of socio-economic duality, which is quite different from the standard notion of duality. The labor-exporting economy can be divided into an "indigenous sector" and the "open sector." The "indigenous sector" covers commodity and service flows transacted by individuals whose income is generated within the confines of the purely domestic activities. The earnings of this group of transactors reflects the low levels of pay dictated by the capacity of the domestic economy to pay. The "open sector" embraces activities and flows of goods and services closely associated with high incomes and earnings reflecting the capacity of oil economies and foreign business to pay. The purchasing power fueling the expansion of this sector

11. Y.A.R., Five Year Plan (1976/77-1980/81) (Sanaa: Office of the Prime Minister, 1976).

12. S. Ibrahim, The New Arab Social Order (Arabic) (Beirut: Center for Arab Unity Studies, 1982), pp. 135-6. (Also published in English: Boulder, Colorado: Westview Press, Inc., 1982).

is coming mainly in the form of migrants' remittances and the earnings of those employed by foreign joint-venture companies and other related activities at home.¹³

At the same time, there are linkages between the two sectors. The supply of goods and services in the "indigenous sector" is being affected by indices of profitability and movements of other variables within the "open sector." The high profit margins obtainable on goods and services tradable in the "open sector" induces manufacturers and traders to redirect their resources and investible funds towards the open sector. In Egypt, the housing sector is characterized by the co-existence of over-supply of luxurious apartments and severe shortages of economy and popular housing units. The same phenomenon is experienced in the clothing sector in Egypt where there is over-supply of high-quality expensive clothing and ready-made garments and acute shortages of coarse, low-priced varieties of clothing.¹⁴

Such contradictions underlying the working of the economic system have had serious implications for the overall process of reallocation of resources at the national level to the "open sector." In many instances, rescheduling of production and investment programs by private entre-

13. See M. Abdul-Fadhil, Effects of Labor Migration on Income Distribution and Consumption Patterns in the Egyptian Economy, op. cit., pp. 30

14. See *ibid*, p. 32.

preneurs have led to the under-supply of basic goods and services, and thus added a new dimension to the process of inflationary pressures, as the excess demand of the transactors within the "indigenous sector" pushed up prices of basic goods and services.

6. Distributional Effects.

In the light of available information, remittances seem to have contributed to greater disparities in the distribution of incomes in the Arab labor-exporting countries.¹⁵ It is believed that although remittances have certainly increased nominal incomes, in varying degrees, for all income ranges of migrant labor, nevertheless, the effect of these remittances on the relative distribution of personal incomes in the economies of the Arab labor-exporting countries seems to have been in favor of more concentration in the high and middle income groups, especially since migration is dominated by the latter groups.

In Egypt, the post-remittances distribution of disposable income among households tends to be more skewed than the pre-remittances situation in terms of relative

15. Some studies show that migrant construction workers from Egypt were making, in the host countries, an average income ranging between seven to nine times what they were earning in Egypt, while migrant university teachers were earning in host countries an average income seven to ten times what they used to earn in Egypt. These studies showed also that, on average, savings and remittances among the latter group were about four to five times larger than similar savings and remittances of the former group. Other studies on migrant labor from Sudan and Jordan indicate similar trends. See op. cit., pp. 117-121.

income shares for the top and bottom deciles (see Table 3.3, p. 69). The average absolute levels of disposable income in money terms for the lower deciles has increased.

In concluding, one can say that in spite of the positive economic effects of the remittances of Arab migrants, migration does not automatically promote development where it is left to market forces (if by development is meant an increase in the country's productive capacity). Proper policies and more coordination and joint planning between the Arab countries are needed, which is the subject matter of the following section.

Table 3.1

Remittances of Arab Migrants by Country of Receipt
1973-1980 (million dollars)

Country	Year	1973	1974	1975	1976	1977	1978	1979	1980 ^(c)
Group A (a)									
Egypt		85	189	366	755	896	1,761	2,282	2,625
Jordan		45	75	172	388	408	438	510	630
Sudan	4.2		2.5	140	160	130	240	270	--
Syria	51		62	99	140	243	231	290	--
Yemen, Arab Republic		135	135.5	270	676	987	946	1,025	--
Yemen, PDR		33	41	58	119	188	257	314	342
Sub-Total		353.2	505	1,105	2,238	2,852	3,873	4,691	
Group B (b)									
Algeria		371	390	423	456	388	436	453	--
Morocco		249	356	489	499	574	657	944	--
Tunisia		98	118	161	364	511	538	589	--
Sub-Total		718	864	1,073	1,319	1,473	1,631	1,986	--
GRAND TOTAL		1,071.2	1,369	2,178	3,557	4,325	5,504	6,677	--

(--) Figures are unavailable.

(a) Labor-exporting countries towards basically oil-exporting countries.

Table 3.1 - Page 2

(b) Arab North-African labor exporting countries towards Europe in the first place, excluding Tunisia where an important part of migrating labor go to Libya.

(c) Figures for 1980 are incomplete.

Sources: 1. All figures, with the exception of Y.A.R. for 1974, were estimated from: Saadeldin, I. and Abdul-Fadhil, M. Arab Labor Movement. (Arabic) Beirut: Center for Arab Unity Studies, Beirut, 1983, p. 78.

2. Figure for Arab Republic of Yemen, 1974, was estimated from: Birks, J. S. and Sinclair, C. A. Arab Manpower. London: Croom Helm, 1980, Table 9.1, p. 86.

Table 3.2

Pattern of use of migrants' savings by selected
occupational groups in Egypt (1977)

Types of uses and assets	(1)	(2)	(3)
	Construction workers %	School teachers %	Univ. academic staff %
1) Building (or buying) an accomodation	12	--	55
2) Buying agricultural land	4	25	6
3) Participation in a project or starting a private business	38	--	33
4) Buying productive equipment (including transport vehicles)	8	--	--
5) Bank deposits	6	31	55

-- unavailable.

Source: M. Abdul-Fadhil, Effects of Labor Migration on Income and Consumption Patterns in the Egyptian economy. Cairo University/MIT, 1981, Table 7, p. 27.)

Table 3.3

Size distribution of workers' remittances in Egypt, 1980.

Occupational group	Average monthly income (1) L.E.	Average Propensity to remit (3)	Annual remitted income L.E.	Numbers of emigrants (4)	Total remitted income million L.E.	%
1. Professional, technical and scientific staff (Top 20%)	792 ⁽²⁾	40%	3802	240,000	912	40.8
2. Holders of intermediate certificates (clerical and sales personnel) (Middle 30%)	570	30%	2052	360,000	739	33.0
3. Craftsmen and production workers	577	20%	1385	300,000	415	18.6
4. Transport workers and drivers	419	20%	1006	60,000	60	2.7
5. Unskilled workers	252	15%	454	240,000	109	4.9
Total				1,200,000	2,235	100.0

L.E. - Egyptian pounds

Source: Ibid, Table 3, p. 14.

IV. RECOMMENDATIONS FOR INCREASING BENEFITS AND REDUCING COSTS OF INTRA-ARAB LABOR MOVEMENT IN BOTH LABOR-EXPORTING AND LABOR-IMPORTING COUNTRIES.

This part of the report suggests some recommendations at the national and regional levels which could, taking into consideration the discussion of the positive and negative effects explained in Part III earlier, increase the positive economic effects and alleviate the negative ones, or at least neutralize them or reduce their impacts.¹

1. Recommendations at the national level. Two somewhat different recommendations are suggested at the national level for each of the Arab labor-exporting and labor-importing countries:

A. The labor-exporting countries

It is recommended to:

(1) Increase total supply of labor force and improve its technical and professional skills through:

a. Attracting the Arab labor force that has migrated outside the Arab World, as is the case in the Arab countries of North Africa.²

b. Increasing crude participation rates, especially through increasing women's participation in the labor force.

c. Freeing unproductive labor from agri-

1. This part of the report is mainly a summary of Chapters 4 and 5 of Saadeldin and Abdul-Fadhil, Arab Labor Movement, op. cit., pp. 187-266.

2. From a purely economic point of view, the individual migrating worker might not be better off at home. However, from a social and cultural point of view, labor will be saved the problems encountered at the present in the European countries.

culture and directing it to other sectors, as it is generally believed that there is a great disguised unemployment in the agricultural sectors in most of these countries.

As far as skills are concerned, in the short run employers should be required to train workers, and in the long run educational institutions should be improved.

(2) The Arab labor-exporting countries can help and facilitate the dependence of Arab labor-importing countries on more Arab imported labor than non-Arabs, by providing data on surplus of labor force and their skills, and distributing it to labor-importing countries. This could lead to decreasing dependence on non-Arab workers. Depending on non-Arab labor in the Arabian Gulf countries threatens the national security of the Arab World. At present, the majority of residents in these countries are non-Arabs; they also constitute the majority of soldiers in the Arabian Gulf countries' armies. Because of communication and language barriers, the non-Arab labor is not able to train and benefit the national workers. Having non-Arab nannies also threatens the culture and the commitment of the young Arab generations. Since the Arab World is self-sufficient in labor resources, taking into account the migrant Arab workers abroad, the economic costs of reducing dependence on non-Arab

labor will not exceed the benefits.

(3) Protecting migrating workers from unjust labor laws and regulations in the Arab host countries, through bilateral agreements and/or official channels.³

(4) Directing the use of remittances towards more investment in economic and social development than is the case so far, and introducing the necessary economic policies and legislation to achieve that.

B. The labor-importing countries

It is recommended that they adopt the following:

(1) Limiting dependence on non-national labor force in the future, through:

a. Limiting excessive wasteful expenditure on uneconomic and prestigious projects.

b. Better use and distribution of national labor force by:

i - Wages should be linked to productivity.

ii - Privileges for nationals should not lead to their withdrawal from the labor market.

iii - Increasing participation in the labor force, including women.

3. In most Arab labor-importing countries, migrant workers are not allowed to join national trade unions or to form one of their own. Conditions and termination of work need a lot of changes and improvements. Iraq is an exception in this respect, where migrant Arab labor is treated equally like Iraqi workers. They are not only covered by trade unions, but also do not need residence or work permits. They can also acquire Iraqi citizenship without much difficulty.

iv - Reforming the educational system.

v - Reforming employment policies.

vi - An active policy to direct nationals towards all sectors of economic activity.

c. Better use of imported labor force to increase its productivity and efficiency, through:

i - Improving performance in governmental offices and reducing redundant labor.

ii - Allowing movement of labor between different employers.

iii - Increasing participation of imported labor force by making better use of their dependents.

iv - Increasing the direct cost of imported labor to employers by making them carry part of the social cost presently borne by the governments.

(2) For cultural and security reasons, they need to reduce dependency on imported non-Arab labor and to protect the Arab features of labor-importing countries by replacing non-Arab labor force with Arab workers whenever possible.

(3) Providing better stability and legal protection for imported labor force. This could

enhance the productivity of non-national labor and reduce the turnover in such labor.

(4) To give more emphasis, through educational policies and other practical policies, to the "value" of work as a value in itself. A clear link between "work" and "reward" is needed to encourage nationals to be more involved in active and constructive employment.

2. Recommendations at the Arab regional level.

A. Policies regulating the Arab labor market through a regional agreement.

An agreement at the Arab regional level is becoming a necessity to regulate intra-Arab labor movement to ensure the maximum benefits out of it for both the sending and receiving countries. Several attempts have been made through the Arab League in that direction, and several agreements have been prepared, but very few of the labor-importing countries signed or enforced them.⁴ It is believed that it is in the common, long-term interests of both the sending and receiving countries to adopt and approve such an agreement.

B. The creation of an Arab institute for employment

The setting up of such an institute could help in providing more information on the availability and

4. See Firjani, Migration to Oil, op. cit., pp. 198-213.

markets of labor for both sending and receiving countries. It could also study and investigate the present conditions and policies related to migrant labor in both parties and advise and suggest alternative policies. A first, modest step has already been taken in the direction by setting up an "Arab Organization for Employment," but with very limited financial resources. The cost of such an institute is very marginal compared to the volume of wages and salaries paid by receiving countries or to the remittances in sending countries.

C. Increasing the role and activities of the Arab Labor Organization

An Arab Labor Organization was set up in 1956, with membership covering all the Arab countries, but it has not been very effective so far in handling the problems of intra-Arab labor movement, which came into the core of its terms of reference. It is recommended that the ALO be provided with more financial support and personnel to play a more active role in this respect.

D. Regional Technical Training

Arrangements are needed at the regional level to provide technical training to interested manpower in migration to meet the needs of labor-importing countries. The cost of such training facilities should be mainly borne by the receiving countries.

V. SUMMARY AND CONCLUSIONS

Intra-Arab labor migration is a fact, affecting and needed by both Arab labor-exporting and -importing countries. This should be their realistic starting point.

The migration, in spite of advantages gained by both sides, has had some negative effects, though different, on each side. Each side needs to show interest and understanding of the other's concerns. Without such mutual understanding and a minimum of coordination, on a bilateral or preferably at some Arab regional level, the future smooth flow of such labor, the training and planning for nationals to replace non-national labor, the improvement of the living conditions of migrant labor in host countries, and a better and more productive use and investment of the remittances of migrant labor in the labor-sending countries will not be easy to achieve in a reasonable degree.

The labor situation in some Arab oil-exporting countries in the Gulf (especially UAE, Qatar and Kuwait) is becoming very critical, where non-national workers and their dependents residing in these countries form the majority of the labor force and of total population in them. If things are left to continue unchecked, the nationals in some of these countries will become a very small minority and strangers in their own countries, as is the case now in UAE and Qatar. New labor migration policies, liberal and more realistic, are needed in these labor-importing countries to rectify this serious situation.

Arab labor-importing countries in general need to differentiate between their attitudes and conditions offered to Arab and Asian migrant labor working in them, taking into consideration not only the comparison in wages, but the social cost of both. While ensuring good living conditions for all migrant labor, they need to give more inducements and encouragements for Arab migrants to live and settle in them. Some of these countries, like UAE, Qatar and Kuwait, with their very small population, will never be able in the foreseeable future to do without imported labor. Because of the common culture and language of all Arabs, they need to revise their present nationality legislations to induce more Arab migrants, on a selective basis, to reside in them and acquire their nationality. Iraq is a pioneering Arab labor-importing country in this respect, where Arab migrants are treated equally with Iraqis; they do not need residence or work permits, and can easily become Iraqi citizens. Something on the Iraqi line needs to be followed and adopted by other Arab labor-importing countries.

The present decline in oil revenues gives a chance for many of the Arab oil-exporting/labor-importing countries to revise their planned development projects and avoid waste and prestigious projects associated with their recent experience, and which forced large labor imports. They always need to remember that oil is a depleting and not renewable resource, and that one day, sooner or later, they will find themselves with little or no oil. The interests

of their future generations should be of real concern to them.

Bibliography

- Abdul-Fadhil, Mahmoud. Oil and Arab Unity. (Arabic) Beirut: Center for Arab Unity Studies, 1979.
- _____. Effects of Labor Migration on Income Distribution and Consumption Patterns in the Egyptian Economy, Cairo University/MIT, 1981, pp. 23-24.
- Al-Ahram Newspaper. 19 March 1983 (Arabic) Cairo.
- Arab Monetary Fund (eds.) The Unified Arab Economic Report, 1984. (Arabic)
- Al-Anani, Jawad and Abdul-Jaber, Tayseer. The Experience of Jordan and its policies towards labor movement. (Arabic) Amman: Labor Ministry, 1981.
- Al-Nabawi and Abu-Al-Shir, Salim. Workers' remittances in the light of Jordanian migration abroad. (Arabic) Amman: The Jordanian Central Bank, 1982.
- Al-Nahar Newspaper. 8 August 1985 (Arabic) Beirut.
- Al-Sharq Al-Awsat Newspaper. 8 August 1985 (Arabic) London.
- Birks, J. S. and Sinclair, C. A. Arab Manpower. London: Croom Helm, 1980.
- _____. International Migration and Development in the Arab Region. Geneva: International Labor Organization (ILO), 1980.
- Ezzulidin, Amin. The Egyptian Labor Force Migrations to Iraq: Study from the Point of View of the Country of Origin. Baghdad (Iraq): unpublished, 1982.
- Firjani, Nadir. Migration to Oil. (Arabic) Beirut: Center for Arab Unity Studies, 1983.
- _____. "Migration in the Arab World" (Arabic), Al-Mustakbal Al-Arabi (Beirut: Center for Arab Unity Studies) No. 56, October 1983.
- _____. "Facilitation of Labor Exchange Between the Arab Countries" (Arabic), Al-Mustakbal Al-Arabi (Beirut: Center for Arab Unity Studies) No. 39, May 1982.
- _____. "Exportation of Labor Force and Development: The Case of the Arab Republic of Yemen" (Arabic), Al-Mustakbal Al-Arabi (Beirut: Center for Arab Unity Studies) No. 35, January 1982.

- _____. "Arab Development: Capabilities and Waste" (Arabic), Al-Mustakbal Al-Arabi (Beirut: Center for Arab Unity Studies) No. 24, Feb. 1981.
- Hwalidi, Fahuri. "Modern designs on the walls of Sanaa" (Arabic), Al-Arabi (Kuwait) No. 245, April 1979.
- Ibrahim, Saadeldin. The New Arab Social Order. (Arabic) Beirut: Center for Arab Unity Studies, 1982. Also published in English. Boulder, Colorado: Westview Press Inc., 1982.
- International Monetary Fund (IMF). International Monetary Fund Survey. Washington, D.C.: IMF, 4 September 1978.
- Jalal-El-Din, Mohammad Awadh. "Labor Imports in the Arab Countries: Present Situation and Future Prospects" (Arabic), Al-Mustakbal Al-Arabi, (Beirut: Center for Arab Unity Studies) No. 74, April 1985.
- Mabro, Robert. "Economic Effects of the Decline in Energy Demand on the Arab World." Paper submitted to the Third Arab Energy Conference, Algeria, 4-9 May 1985, and published in Al-Mustakbal Al-Arabi (Beirut: Center for Arab Unity Studies) No. 78, August 1985.
- Saadeldin, Ibrahim, and Abdul-Fadhil, Mahmoud. Arab Labor Movement. (Arabic) Beirut: Center for Arab Unity Studies, 1983.
- Serageldin, Ismail et. al. Manpower and International Labor Migration in the Middle East and North Africa. Washington, D.C.: World Bank, Technical Assistance and Special Studies Division, 1981, Final Report.
- The World Bank. World Development Report, 1984. Washington, D.C.: The Bank, 1984.
- _____. World Development Report, 1981. Washington, D.C.: The Bank, 1981.
- Y.A.R., Five year plan (1967/77-1980/81). Sanaa: Office of the Prime Minister, 1976.
- The Yemeni Central Bank, Annual Reports.

INTRA-ARAB LABOR MOVEMENT
1973-1985

by

DINA KHAIR EL-DIN HASEEB
B.A., American University in Beirut, 1980

AN ABSTRACT OF A MASTER'S REPORT
submitted in partial fulfillment of the
requirements for the degree

MASTER OF ARTS

Department of Economics

KANSAS STATE UNIVERSITY
Manhattan, Kansas

1986

Abstract

The report deals with the economic aspects of intra-Arab labor movement during the period since 1973. 1973 was a turning point in the development of Arab oil-exporting countries, because of increases in oil revenues due to major rises in oil price and production. Most of these countries have small populations and their ambitious development plans and projects led to importing additional and increasing non-national labor, most of which came from other countries with large populations and capital shortage.

The report is divided into five parts: Part I provides background information about the Arab World: location, area, population, labor force and economic structure.

Part II surveys and critically evaluates the main estimates of the size of intra-Arab labor movement by both international organizations and individual researchers. The future of intra-Arab labor movement is discussed.

Part III deals with the economic effects of the labor movement, indicating both the positive and negative effects of this movement on both the Arab labor-importing and labor-exporting countries. The non-economic effects are also discussed very briefly.

Part IV summarizes recommendations at the national and regional levels to maximize the benefits of this movement in both the labor-sending and labor-receiving Arab countries, and to reduce the negative effects on them.

Finally, a general conclusion is given in Part V.