



Middle East  
Centre

# THE UNITED ARAB EMIRATES' LABOUR MARKET

## AN OVERVIEW



Mona Elsayed

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# The United Arab Emirates' Labour Market: An Overview

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## About the Author

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*The research informing this paper was supported by the Academic Collaboration with Arab Universities Programme, managed by the LSE Middle East Centre and funded by the Emirates Foundation; however, the views expressed do not necessarily reflect those of the Emirates Foundation. The partner institutions were the University of Sharjah and the American University in Cairo (AUC).*

## Abstract

This paper provides an overview of both the quantity and quality of employment in the United Arab Emirates (UAE)'s labour market. It first presents a review of employment regulation, covering legislation that apply to Emirati and migrant workers, as well as to the public and private sectors and details how particular subgroups of workers are treated differently by the existing employment legislation. The discussion shows that employment regulations are significantly more favourable in the public sector. While new labour laws introduced in the private sector are considered a crucial step in the right direction, they are not sufficient to level the playing field between different groups of workers.

Second, the paper examines available data from the UAE's labour force survey and discusses findings from relevant studies, while highlighting problems with data availability and gathering. It identifies key challenges in the UAE labour market. While the UAE performs well in terms of overall employment levels, there are considerable disparities between groups, particularly when data is disaggregated by nationality. Unemployment rates among Emiratis are much higher and participation rates are lower. Yet, employment conditions among Emirati workers are significantly better than those of migrant workers, mainly because they are more likely to work in the public sector. Conversely, non-Emiratis have higher participation rates and lower levels of unemployment, yet their working conditions are significantly worse than those of Emiratis. The paper concludes by discussing the policy implications of these findings.

## Introduction

The United Arab Emirates (UAE) has long been known as an attractive destination for workers of different nationalities. According to the World Bank, the population in the UAE grew remarkably over the past three decades by almost 395%; increasing from 1.9 million in 1990 to 9.4 million in 2021.<sup>1</sup> This substantial increase is attributed mainly to the increasing flow of expatriates to the country, whose share in total population jumped from 63.9% in 1975 to 93.9% in 2020, coming from around 200 countries, mainly India, Pakistan, Bengal region, and many other Asian, European and African countries.<sup>2</sup>

In fact, after the oil price boom in the early 1970s and the expansion of economic activities in the private and public sectors, most Emiratis entering the labour market joined the latter. Labour shortages in both sectors were filled mainly by expatriates. However, since the late 2000s, there has been a stagnation in the ability of the public sector to offer employment, leading to a relatively higher unemployment rate among Emiratis, especially among women. Although increasing economic diversification efforts in the country has led to considerable growth in the private sector and generated many job opportunities, most of these jobs have been typically filled by expatriates.<sup>3</sup>

The government has recently undertaken efforts to enhance the employability of Emiratis in the private sector as part of the Emiratisation policy. This policy has established legal frameworks to support Emiratis' employment, equip them with diverse technical and soft skills, and secure them job opportunities.<sup>4</sup> Since 2023, at least 2 percent of the skilled workers in private sector establishments with 50 or more employees are required to be Emiratis. In 2024, establishments with 20–49 employees are subject to a legal requirement to employ at least one citizen, increasing to two by 2025. Non-adherence to these legal requirements subjects establishments to a size-dependent financial penalty that increases over time.<sup>5</sup>

In 2021, the government also introduced the Emirati Talent Competitiveness Programme (NAFIS) to serve the broad goals of the Emiratisation policy, aiming to employ 75,000 Emiratis in the private sector over the period 2021–5, so they would hold 10 percent of the sector's jobs by 2025. The programme provides jobseekers with unemployment benefits, job offers, on-the-job training, apprenticeships, and career consulting services. Moreover,

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<sup>1</sup> World Bank, 'World Development Indicators Database'. Available at: <https://databank.worldbank.org/source/world-development-indicators> (accessed 18 June 2023).

<sup>2</sup> Françoise De Bel-Air, 'Demography, Migration, and the Labour Market in the UAE', *Gulf Labour Markets and Migration* 7 (2015); UAE Ministry of Economy, 'The Annual Economic Report 2021'. Available at: [https://www.moec.gov.ae/documents/20121/0/Annual\\_Report\\_MOE%20-%20ENG%20%282%29.pdf/ad3ea4ed-770e-4741-f8d2-odfao8f7af12](https://www.moec.gov.ae/documents/20121/0/Annual_Report_MOE%20-%20ENG%20%282%29.pdf/ad3ea4ed-770e-4741-f8d2-odfao8f7af12) (accessed 17 July 2024).

<sup>3</sup> Georgia Deleuze, *Challenges to Full Emirati Employment*, in *Emiratization in the UAE Labour Market: Opportunities and Challenges* (Singapore: Springer, 2017), pp. 39–48.

<sup>4</sup> UAE Government Portal, 'Emiratisation'. Available at: <https://u.ae/en/information-and-services/jobs/training-and-development/emiratisation> (accessed 5 February 2024).

<sup>5</sup> UAE Government Portal, 'Emiratization Targets in the Private Sector'. Available at: <https://u.ae/en/information-and-services/jobs/employment-in-the-private-sector/emiratis-employment-in-private-sector> (accessed 5 February 2024).

the programme's benefits include Emiratis already working in the private sector, including salary support for those who earn up to AED 30,000 per month, a child-allowance scheme for those who earn less than AED 50,000 per month (AED 600 per child per month, up to 4 children), and subsidised pension schemes for both employees and employers.<sup>6</sup>

While the employability of migrant workers is higher compared with their national counterparts, low-skilled migrant workers are more likely to encounter poor working conditions, different forms of discrimination and abuse, and physical and psychological health issues connected to their employment. Generally, the UAE labour market is highly segmented between nationals and expatriates in different aspects of employment (e.g., sector of employment, occupations, wages, preservation of workers' rights, etc.)

The paper is subdivided into two main sections. The first presents a comparative review of different aspects of employment regulations that ensure the quality of work in both the public and private sectors, particularly since the introduction of the new private sector labour laws. The second section introduces a detailed description of the current performance of the UAE's labour market in terms of employment quantity and quality, linking it with the previous literature in this regard to identify key challenges it confronts.

## Labour Market Regulations in Public and Private Sectors

The public sector is governed by Federal Decree Law No. 49 of 2022, while the private sector is governed by two laws. The first is Law No. 9 of 2022 (the successor of Law No. 10 of 2017) for private sector domestic workers,<sup>7</sup> and the second is Law No. 33 of 2021 (the successor of Law No. 8 of 1980) for the rest of the private sector. Public sector regulations have been typically known for guaranteeing better working conditions for workers than those in the private sector. However, the recent introduction of the new labour laws in the private sector is considered an important step towards enhancing the quality of work for migrant workers on the one hand. On the other hand, it aims to encourage nationals to seek employment opportunities outside the public sector, in line with the Emiratisation policy.<sup>8</sup> The paper provides a comparative review of the general aspects that ensure the quality of work in the regulations of both public and private sectors, relying on the

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<sup>6</sup> For more details, see: The Emirati Talent Competitiveness Council, 'NAFIS'. Available at: <https://nafis.gov.ae/> (accessed 5 February 2024).

<sup>7</sup> Domestic workers include housemaid, sailor, guard, shepherd, jockey, tamer, falcon care-taker, worker, housekeeper, cook, babysitter, farm worker, gardener, coach, private tutor, home nurse, personal assistant, private agricultural engineer, personal driver, among others.

<sup>8</sup> See: Federal Authority for Government Resources, 'Human Resources Law in the Federal Government: Federal Decree Law No. 49 for 2022 on Human Resources in the Federal Government'. Available at: <https://www.fahr.gov.ae/en/legislations-guides/the-law-regulations/human-resources-law-in-the-federal-government/> (accessed 5 February 2024); UAE Ministry of Human Resources and Emiratisation, 'Federal Decree Law No. 33 of 2021 Regarding the Regulation of Employment Relationship and Its Amendments'. Available at: <https://u.ae/en/information-and-services/jobs/employment-in-the-private-sector/employment-laws-and-regulations-in-the-private-sector> (accessed 2 June 2023); UAE Ministry of Human Resources and Emiratisation, 'Federal Decree Law No. 9 of 2022 Concerning Domestic Workers'. Available at: <https://u.ae/en/information-and-services/justice-safety-and-the-law/anti-discrimination-laws-and-policies/uae-domestic-helpers-law> (accessed 2 June 2023).



guideline indicators used by the International Labour Organization (ILO).<sup>9</sup> In addition, it highlights some aspects of the law that are particular to migrant workers.

## General Aspects of Labour Market Regulations

### Type of Employment Contracts

Employment legislations in both sectors explicitly allow for Fixed Term Contracts (FTCs). In the public sector, the labour law allows for FTCs without any restrictions. It has also introduced different possible work modes, such as remote and hybrid work, to be agreed upon in employment contracts. In the general private sector, the new labour law requires all contracts to be FTCs, but, at the same time, it does not impose any limits to the length of the contract, as long as it is specified, or to the number of renewal times, leaving them to the parties of the contracts. For private domestic workers, all employment contracts must be FTCs with a maximum length of two years without any limits to the number of renewal times.<sup>10</sup>

### Termination of Employment Contracts

The ILO requires employment to be terminated only for valid reasons.<sup>11</sup> Employment regulations for all sectors allow employers to terminate work contracts, but this is restricted to clearly specified cases for the public sector; and in this case the employee must be notified in advance and paid all due wages during the notice period. In the general private sector, the notice period ranges between 30-90 days, unless parties agree to exempt each other from it, during which workers must continue their work and are paid their full wage. If domestic workers are to be dismissed for reasons related to employers, they should receive their full compensation and costs related to their repatriation to their home country.

### Minimum Wage

The ILO in its Minimum Wage Fixing Convention, 1970 (No. 131) recommended setting a minimum wage fixing mechanism in employment legislations to ensure frequent adjustments and revisions.<sup>12</sup> In the UAE, the determination of the minimum wage and its revisions in the public sector is left to the Council of Ministers without specifying any fixing mechanism. The UAE is yet to set any minimum wage requirements in the private sector, as is the case for most of the Gulf Cooperation Council (GCC) countries.<sup>13</sup> Nevertheless, it is explicitly mentioned in Law No. 33 of 2021 that the Cabinet shall introduce

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<sup>9</sup> International Labour Organization, 'Decent Work Indicators: Guidelines for Producers and Users of Statistical and Legal Framework Indicators'. Available at: [https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@dgreports/@integration/documents/publication/wcms\\_229374.pdf](https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@dgreports/@integration/documents/publication/wcms_229374.pdf) (accessed 17 July 2024).

<sup>10</sup> While FTCs typically provide greater flexibility to employers in altering their employment levels based on work requirements and are considered as an important source of employment for young inexperienced individuals, workers under such contracts are more likely to experience precarious employment conditions. For details see: Maho Hatayama, 'Revisiting Labour Market Regulations in the Middle East and North Africa', *World Bank Jobs Working Paper* 64 (2021).

<sup>11</sup> These valid reasons include for instance worker's capacity or conduct, and business's operational requirements; reasons cannot include race, sex, religion, political views, pregnancy, etc. See: International Labour Organization, 'Decent Work Indicators'.

<sup>12</sup> International Labour Organization, 'Decent Work Indicators'.

<sup>13</sup> The World Bank, 'World Bank Employing Workers Database 2020'.

such minimum wage for private sector employees, including domestic workers.

### **Normal Working Hours**

The ILO suggests maximum working hours of 8 per day and 48 per week to guarantee workers' health and well-being, and it also recommends that for every one year of service, the worker should enjoy at least 3 working weeks of paid leave.<sup>14</sup> In the public sector, working hours are in line with these recommendations. Generally, public sector employees work for four days and a half per week during daytime with an overall normal working hour of 44.5 per week.<sup>15</sup> In the general private sector, workers have a minimum of one day off and relatively higher maximum normal working hours (8 hours per day and 48 hours per week). For private sector domestic workers, the law requires them to have at least one day off per week with a maximum of 12 hours per day and 72 hours per week.

### **Overtime Work, Night Work, and Paid Leave**

The labour laws of both public and general private sectors allow for overtime, either past working hours during the week or on weekends and official holidays. However, employees are entitled to monetary compensation for these hours or days, or compensatory leave. For private sector domestic workers, there are no restrictions on working times during the day, provided that they do not exceed the maximum normal working hours (12 per day). Nevertheless, workers need to have at least 8 hours of continuous rest per day. In case that they are made to work during a weekend, they need to be either remunerated, without requiring a premium, or compensated with another day off. Pertaining to paid leave, public sector employees are entitled to an annual paid leave of 30 working days for employees in grade B and above and 22 working days for the rest of employees. In the private sector, the annual paid leave is 2 days per month for those whose service period is between 6 to 12 months and 30 days per year beyond that.

### **Unemployment and Firms' Bankruptcy Insurance**

Workers in both public and private sectors, except for temporary employees and domestic workers, are covered by a mandatory unemployment insurance scheme which is financed through a monthly contribution paid by workers during their employment. The contribution is set based on their salary category. They become eligible for unemployment compensation when they have been contributing for at least 12 consecutive months.<sup>16</sup> As an important step towards protecting workers' rights in the private sector, the government introduced a new insurance system 'Taameen' in 2018 that protects workers' rights, including domestic workers, when companies fail to meet their financial obligations towards them due to bankruptcy. Employers buy an insurance policy on behalf of each worker, with coverage up to AED 20,000 against such risks. This policy is considered an alternative to the old one, which is still active, where employers are asked to keep a bank

<sup>14</sup> International Labour Organization, 'Decent Work Indicators'.

<sup>15</sup> UAE Government Portal, 'Working Hours in the Public Sector'. Available at: <https://u.ae/en/information-and-services/jobs/working-in-uae-government-sector/working-hours-in-the-public-sector> (accessed 5 February 2024).

<sup>16</sup> UAE Government Portal, 'Unemployment Insurance Scheme'. Available at: <https://u.ae/en/information-and-services/jobs/unemployment-insurance-scheme> (accessed 5 February 2024).



deposit of AED 3,000 per worker with the Ministry of Human Resources and Emiratization as an insurance against these risks.<sup>17</sup>

### Health Insurance

Obligatory health insurance has limited geographical coverage and migrants are largely uncovered by health insurance. For instance, Abu Dhabi and Dubai require employers to provide full health insurance coverage to all nationals and expatriates in both public and private sectors. In Abu Dhabi, the insurance is extended to cover expatriates' families. Meanwhile, in Sharjah, until recently, health insurance coverage was limited to government employees and their dependents, but in 2020 it extended to include all employed Emiratis. In Ajman, the health insurance is still confined to government employees.<sup>18</sup>

### End-of-Service Gratuity and Pensions

Workers in both sectors are entitled by law to an end-of-service gratuity regardless of their nationality. While this does not include domestic workers, the law stipulates that the Cabinet shall introduce such gratuity for them. Recently, the government has introduced the savings scheme, providing a voluntary alternative to the conventional end-of-service gratuity for both nationals and expatriates employed in the private sector and free zones. This system enables workers to invest their end-of-service contributions such that they not only receive their accumulated contributions but also any returns generated from these investments upon the end of their service.<sup>19</sup> In addition to the end-of-service gratuity, subscriptions to pension schemes are mandatory and cover workers of both sectors, however; the subscription is only offered to Emiratis. Citizens of the GCC working in the country are allowed to be covered by pension in the same way as if they were working in their home country and according to regulations prevailing there.<sup>20</sup>

## Regulations of Migrant Workers

Since 1971, the UAE's *kafala* system has regulated migrant worker visa sponsorship. Under this system, workers require an employer, individual or company, to sponsor their work permit for the duration of their employment contract.<sup>21</sup> The new labour laws guarantee

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<sup>17</sup> UAE Government Portal, 'Insurance System for Workers in the Private Sector (*Taa-meen*)'. Available at: <https://u.ae/en/information-and-services/jobs/insurance-system-for-employees-in-the-private-sector> (accessed 5 February 2024).

<sup>18</sup> UAE Government Portal, 'Getting Health Insurance'. Available at: <https://u.ae/en/information-and-services/health-and-fitness/getting-a-health-insurance> (accessed 5 February 2024).

<sup>19</sup> UAE Government Portal, 'End of Service Benefits for Workers in the Private Sector'. Available at: <https://u.ae/information-and-services/jobs/end-of-service-benefits-for-employees-in-the-private-sector> (accessed 5 February 2024).

<sup>20</sup> UAE Government Portal, 'Pensions and Social Security for UAE Citizens'. Available at: <https://u.ae/information-and-services/jobs/working-in-uae-government-sector/pensions-and-social-security-for-uae-citizens> (accessed 5 February 2024).

<sup>21</sup> Though the Emirati government has recently introduced many reforms by initiating the New Visa System in 2022 which allows workers to seek employment in the country without any need to be sponsored by an employer (e.g., the Green Visa), such benefits are confined to specific groups (i.e., freelancers and skilled employees). Most workers still need to obtain work permits from their employers. See: UAE Government Portal, 'Residence Visa for Working in the UAE'. Available at: <https://u.ae/en/>

workers' right to change employers after the end of their contracts (e.g., expiry of the term specified in the contract or parties' agreement to end it, the death or bankruptcy of the employer, etc.) or when employers violate workers' rights (e.g., breaching their obligations towards workers, assaulting them by different forms of violence or harassment, exposing them to danger in the workplace, assigning them tasks that differ considerably from the contract). In those cases, workers are given a grace period during which they could either search for another job and get a new work permit or prepare to leave the country.<sup>22</sup>

The new private sector laws also include many articles that ensure the preservation of workers' rights, including migrant workers who are dominant in this sector, and protect them from different sorts of human trafficking. For instance, they forbid any discrimination based on race, ethnicity, sex, religion, national or social origin or disability. In addition, employers are banned from charging workers any fees related to their recruitment, assigning them any work that is largely different from what is agreed in the work contract without written consent from the worker, or withholding their official documents. Moreover, employers are obliged by law to provide proper accommodation for workers or pay them accommodation allowance, bear the cost of returning them to their home country after the end of their employment contract, pay their wages in full and on time, invest in their skills, and protect them from the risks of occupational diseases and injuries. All forms of forced work, child labour, sexual harassment, bullying or verbal, physical or psychological violence committed against the worker are strictly prohibited.

According to the private sector regulations, inspection is undertaken by Ministry of Human Resources and Emiratisation's officials who are authorised by a resolution from the Minister of Justice to inspect work establishments, domestic workers recruitment agencies, and domestic workers' places of work and residence to monitor the adherence to law and prove any violations. While inspectors do not have the right to enter employers' homes, when they are the workplaces, without prior consent, in some cases they have the right to do so with the permission of the Public Prosecutor if a complaint is submitted by a domestic worker or when there is clear evidence of the violation of workers' rights. The Emirati government has also initiated an online complaint platform through which workers can submit complaints to the Ministry of Human Resources and Emiratisation and follow up on the status of their complaints.<sup>23</sup> The laws also include many forms of penalties that range from fine penalties to imprisonment for nonadherence to terms provided in the law.

To sum, the landscape of labour market regulations in the UAE reveals a complex picture with significant disparities. Public sector workers generally enjoy more favourable conditions compared to their private sector counterparts. This results in considerable disparities between the working conditions of nationals versus migrants, especially when it comes

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[information-and-services/visa-and-emirates-id/residence-visas/residence-visa-for-working-in-the-uae](#) (accessed 23 June 2023).

<sup>22</sup> UAE Government Portal, 'Changing Jobs or Working for Another Employer after Termination of Contract'. Available at: <https://u.ae/en/information-and-services/jobs/terminating-employment-contracts/changing-jobs-or-working-for-another-employer-after-termination-of-contract> (accessed 3 August 2023).

<sup>23</sup> UAE Government Portal, 'Protection of Workers' Rights'. Available at: <https://u.ae/en/information-and-services/jobs/labour-rights> (accessed 3 August 2023).

to social protection. Although recent private sector laws attempt to safeguard migrant workers' rights, prohibiting discrimination and exploitation, sustained efforts and rigorous evaluation are necessary to guarantee the enforcement of these regulations, especially in light of existing evidence highlighting different forms of violations of migrant workers' rights which will be discussed later on in this paper.

## Realities of the UAE Labour Market: Recent Developments and Key Challenges

### Availability and Quality of Labour Market Data

As in most countries, the Labour Force Survey (LFS) in the UAE is the main data source for labour market information at the federal level, which is conducted annually by the Federal Competitiveness and Statistics Centre (FCSC).<sup>24</sup> The FCSC is a government institution affiliated with the Ministry of Cabinet Affairs which was previously known as the Federal Competitiveness and Statistics Authority (FCSA). The mandate of the FCSC includes providing comprehensive statistics and data and aligning the overall statistical system (definitions, methodologies, classifications, etc.) with international best practices.<sup>25</sup>

The UAE lags behind many other countries with respect to the availability and quality of labour market data. Labour market data in the UAE are not publicly available, and there are limited sources for gathering relevant information at both federal and local levels.<sup>26</sup> This is unlike the common practice among many countries in the Middle East and North Africa (MENA) region wherein detailed micro data is made publicly available and different types of labour market surveys are carried out, in addition to the annual LFS (e.g., the labour market panel survey in Egypt, Jordan, Tunisia, Palestine, and Yemen and the national child labour survey in Jordan).<sup>27</sup>

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<sup>24</sup> Some information related to the labour market, such as labour force participation and employment, could also be found in the UAE's population censuses. Nevertheless, since the 1970s, the UAE has undertaken only five population censuses at the federal level (i.e., in 1975, 1980, 1985, 1995, and 2005). So, all population figures reported afterwards are estimates that should be used with caution. This is due to the large scale of irregular sojourn and labour, especially with the country's high dependence on labour-intensive sectors like the construction sector, on the one hand. On the other hand, unrealistic estimates of population growth reported for some emirates makes the methodology upon which these figures are derived questionable. See: Françoise De Bel-Air, 'Demography, Migration, and the Labour Market in the UAE', *Gulf Labour Markets and Migration* 7/2015 (2015).

<sup>25</sup> The Federal Competitiveness and Statistics Centre, 'About The Federal Competitiveness and Statistics Centre'. Available at: <https://fcsc.gov.ae/en-us/Pages/About-Us/About-FCSA.aspx> (accessed 11 June 2023).

<sup>26</sup> However, brief statistical summaries on the characteristics of labour force, employment, and unemployment according to nationality and gender are available on the FCSC's official website for the years 2008 and 2009 and for the years spanning from 2016 to 2020. For more information on these statistical summaries, see: The Federal Competitiveness and Statistics Centre, 'Statistics by Subject: Labour Force'. Available at: <https://fcsc.gov.ae/en-us/Pages/Statistics/Statistics-by-Subject.aspx#/%3Ffolder=Demography%20and%20Social/Labour%20Force/Labour%20Force&subject=Demography%20and%20Social> (accessed 11 June 2023).

<sup>27</sup> For more information on labour market panel surveys in these countries, see: Economic Research Forum, 'Integrated Labour Market Panel Surveys, ILMPS, Egy-1988-1998-2006-2012-2018, Jor-2010-2016, and Tun-2014'. Available at: <http://www.erfdataportal.com/index.php/catalog/158> (accessed 15

With respect to quality, although the UAE follows the latest employment concepts and classifications adopted by ILO in its national labour force survey, sometimes concepts are not defined in detail (e.g., the definition of employed people), and sometimes classifications are not explicitly mentioned (e.g., the classifications of employment and work status) in the published statistical summaries. In addition, the LFS questionnaire is less detailed compared with other MENA region countries like Egypt, Saudi Arabia, and Jordan and lacks important aspects for understanding labour market realities (e.g., working hours, social and health insurance coverage, availability, type and duration of the work contact, registration of the business, etc.).<sup>28</sup> Additionally, labour force surveys at the local level are not historically available and their quality varies considerably between different emirates, with Dubai and Abu Dhabi's LFSs being the most reliable ones among all emirates.<sup>29</sup>

A recent comparative study on the quality of labour market data in the UAE and many other countries attributed the relatively poorer labour market data management in the UAE to the fact that the FCSA, established in 2015, is still at its preliminary stages of developing a more advanced labour market data collection framework. However, it is worth mentioning that dealing with such limitations is critical for enhancing researchers' ability to appropriately study the key challenges confronting the labour market in the country, making accurate predictions about its future trends, and suggesting better labour market policies that enhance employment levels and quality for both national and migrant workers.<sup>30</sup>

## Labour Force Participation and Unemployment Rate: Obstacles Facing Emiratis' Participation and Employment

The evolution of labour force participation in the UAE (Figure 1) reveals that the overall participation rate averaged at 77.2% over the period 1990 to 2022, which is considered very high if compared with that of the MENA region (46.9%). The figure also indicates a wide gap in the participation rates between men and women; yet this gap tends to decrease substantially over time, with the rapid increase in female labour force participation from 28.8% in 1990 to 54.9% in 2022.<sup>31</sup> Disaggregating labour force participation by nationality and gender for the year 2019 shows that the participation rate is considerably lower for Emiratis (48%)

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June 2023); For LFSs, see: Economic Research Forum, 'Labour Force Surveys'. Available at: [http://www.erfdataportal.com/index.php/catalog/HLFS#\\_r=&collection=&country=&dtype=&from=1963&page=4&ps=&sid=&sk=&sort\\_by=nation&sort\\_order=&to=2022&topic=&view=s&vk=](http://www.erfdataportal.com/index.php/catalog/HLFS#_r=&collection=&country=&dtype=&from=1963&page=4&ps=&sid=&sk=&sort_by=nation&sort_order=&to=2022&topic=&view=s&vk=) (accessed 15 June 2023). For more information on the Jordanian child labour survey, see: Economic Research Forum, 'Jordan National Child Labour Survey, NCLS 2016'. Available at: <http://www.erfdataportal.com/index.php/catalog/151> (accessed 16/6/2023).

<sup>28</sup> For more information on labour force survey questionnaires in the UAE and countries mentioned, see: International Labour Organization, 'Labour Force Surveys'. Available at: <https://www.ilo.org/survey-lib/index.php/catalog/LFS/?page=1&ps=15&repo=LFS> (accessed 11 June 2023).

<sup>29</sup> Louise Patterson, Bharti Pandya and BooYun Cho, 'Improving the Collection and Use of Labour Force in the UAE Based on India and Korea's Best Practices', *Journal of Legal, Ethical and Regulatory Issues* 21/4 (2018), pp. 1–15.

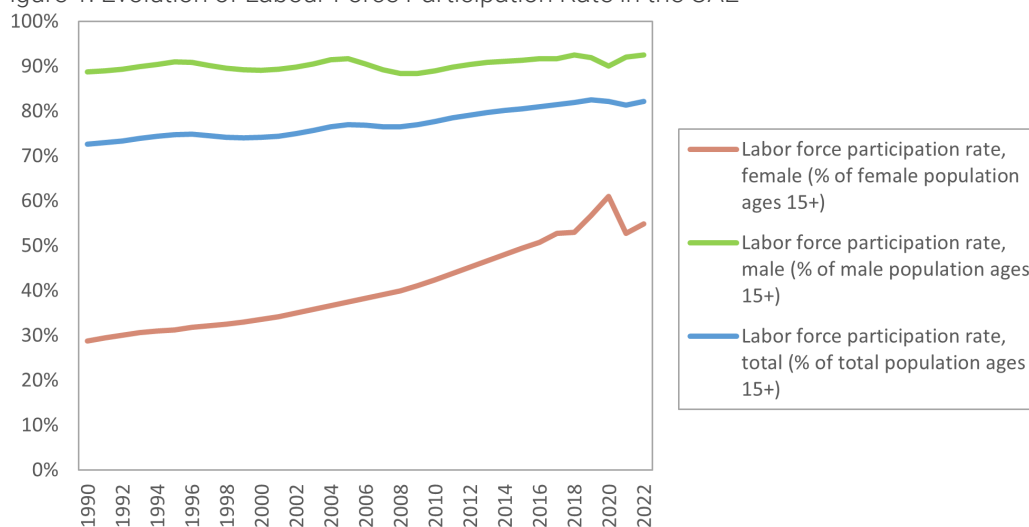
<sup>30</sup> Ibid.

<sup>31</sup> 'World Development Indicators Database'.

compared to Non-Emiratis (83%) and for women (58%) compared to men (92%).<sup>32</sup>

The relatively lower labour force participation among Emiratis, particularly youth, can be attributed to the generous social benefits provided by the government to Emiratis (e.g., subsidised health and education, subsidised loans for housing, wedding assistance, etc.). Furthermore, many Emirati families do not encourage their children to work during their high school and university studies,<sup>33</sup> providing them with strong financial support, such that young Emiratis do not seek or require financial independence.<sup>34</sup> This explains why pursuing studies comes as among the top reason reported by Emiratis for being out of the labour force (37.2 percent) in the LFS for the year 2019.

Figure 1: Evolution of Labour Force Participation Rate in the UAE



Source: World Bank.<sup>35</sup>

Unfavourable working conditions such as long working hours, low wages, intensive obligations, limited leaves, etc., specifically in the private sector, are among the important reasons behind low labour force participation among women.<sup>36</sup> This also explains why a high share of Emirati (37.1%) and non-Emirati (63.5%) women reported that family responsibilities are the main reason behind being out of the labour force based on the LFS for the year 2019. In fact, failing to capitalise on the full potential of women, namely Emirati women, leads to enormous forgone returns to education in the country, especially that Emirati

<sup>32</sup> 'Statistics by Subject: Labour Force'.

<sup>33</sup> Anita Poplavskaya, Tatiana Karabchuk and Aizhan Shomotova, *Unemployment Challenge and Labour Market Participation of Arab Gulf Youth: A Case Study of the UAE*, in *Social Change in the Gulf Region* (Singapore: Springer, 2017), pp. 511–29

<sup>34</sup> Georgia Alere, 'Challenges to Full Emirati Employment', in *Emiratization in the UAE Labour Market: Opportunities and Challenges* (Singapore: Springer, 2017), pp. 39–48

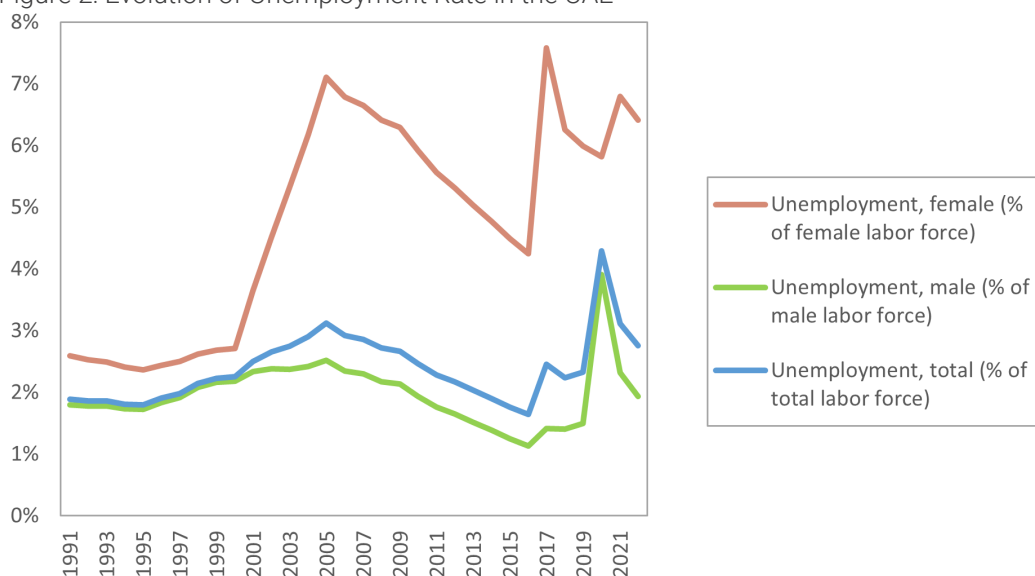
<sup>35</sup> 'World Development Indicators Database'.

<sup>36</sup> Nicole Smith, 'Public Vs. Private: An Analysis of Women's Workforce Participation in the United Arab Emirates', *Global Affair Review* (2020). Available at: <https://wp.nyu.edu/schoolofprofessionalstudies-ga-review/public-vs-private-an-analysis-of-womens-workforce-participation-in-the-united-arab-emirates/> (accessed 20 June 2023)

women represent around 70% of all university graduates in the country and around 56% of UAE government university graduates in science, technology, engineering, and mathematics (STEM).<sup>37</sup>

Pertaining to unemployment rates, the UAE performs well in terms of overall unemployment rate which averaged only 2% over the period (1991–2022), a rate far below the average among the whole MENA region over the same period (11%), as shown in Figure 2.<sup>38</sup> However, there are substantial disparities in the unemployment rate between different groups of the population. For instance, and as shown in Figure 3, in 2019, the unemployment rate was particularly higher among Emiratis (11.8%) compared to non-Emiratis (1.7%) and among women (5.9%) compared to men (1.3%). The overall unemployment rate was also the highest among youth of the age range between 15-19 (21.4%), and it reached 54.7% among Emiratis (47.6% among men and 75.5% among women) and 13% among non-Emiratis (17% among men and 6.5% among women).<sup>39</sup>

Figure 2: Evolution of Unemployment Rate in the UAE



Source: World Bank.<sup>40</sup>

On the one hand, many Emiratis prefer to wait for an employment opportunity in the public sector rather than joining the private sector. This is mainly due to the relatively better working conditions in the former, including permanent contracts, higher salaries, less working hours, higher employment security, and friendlier work environment where most workers share the same nationality, language, religion, and culture. The public sector's inability to absorb graduates at the same pace as before contributed largely to the unemployment problem among Emiratis.<sup>41</sup> The private sector is dominated mainly by foreign companies, who are more willing to hire non-Emiratis, as they believe that they are less

<sup>37</sup> Embassy of the UAE, 'Women in the UAE'. Available at: <https://www.uae-embassy.org/discover-uae/society/women-in-the-uae#:~:text=77%25%20of%20Emirati%20women%20enroll,in%20the%20UAE%20is%2095.8%25> (accessed 20 June 2023).

<sup>38</sup> 'World Development Indicators Database'.

<sup>39</sup> Federal Competitiveness and Statistical Authority, 'FCSA Statistics Online: Unemployment Rate 2016-2018'. Available at: <https://bayanat.ae/en/Data?query=population> (accessed 23 June 2023).

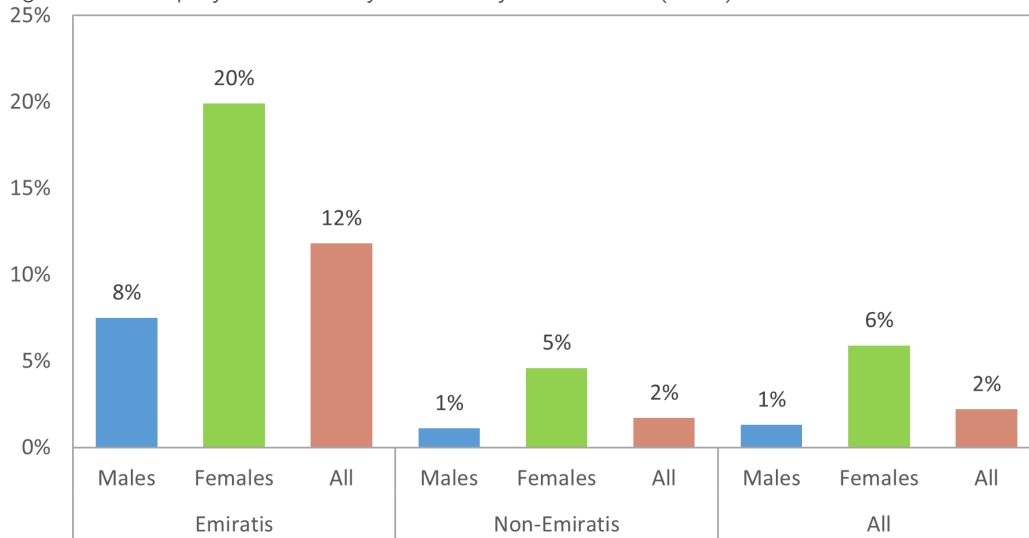
<sup>40</sup> 'World Development Indicators Database'.

<sup>41</sup> Poplavskaya, Karabchuk and Shomotova, 'Unemployment Challenge and Labor Market Participation of Arab Gulf Youth'.



costly, more qualified, and adapt easier to a diversified work environment.<sup>42</sup> Non-Emiratis are also easier to dismiss in case of poor performance compared to Emiratis.<sup>43</sup> Such preferences are strongly reflected in a labour market highly segmented by nationality where the vast majority of Emiratis are employed in the government sector (78 percent) while the vast majority of Non-Emiratis are employed in the private sector (74 percent), as shown in Figure 4.<sup>44</sup>

Figure 3: Unemployment Rate by Nationality and Gender (2019)



Source: Federal Competitiveness and Statistical Authority.<sup>45</sup>

Social and cultural factors also contribute to the relatively lower labour force participation and higher unemployment rate among Emirati women, compared with Emirati men and non-Emirati women counterparts. Firstly, although Emirati families support women education, women are socially perceived, and sometimes themselves prefer, to prioritise their family responsibilities over their careers. Secondly, many Emirati families do not welcome intensive dependence on foreign housemaids of different cultures, languages, and religions. Thirdly, families have many reservations on jobs that require women to work in close proximity to men, or when job responsibilities include tasks that are considered culturally unacceptable (e.g., meeting male clients in restaurants, traveling with men, working night shifts, etc.). All these factors make women who seek employment very selective when it comes to choosing a job that enables proper work-life balance.<sup>46</sup>

<sup>42</sup> Georgia Alere, 'Challenges to Full Emirati Employment'; Poplavskaya, Karabchuk and Shomotova, 'Unemployment Challenge and Labour Market Participation of Arab Gulf Youth'; Gorgia Dalour, Roze Albon, and Khalil Henkston, 'Changing Attitudes, Beliefs, and Views: Enhancing Emiratization Process in the Private Sector', *Al Qasimi Foundation Public Policy Research* 8 (January 2014).

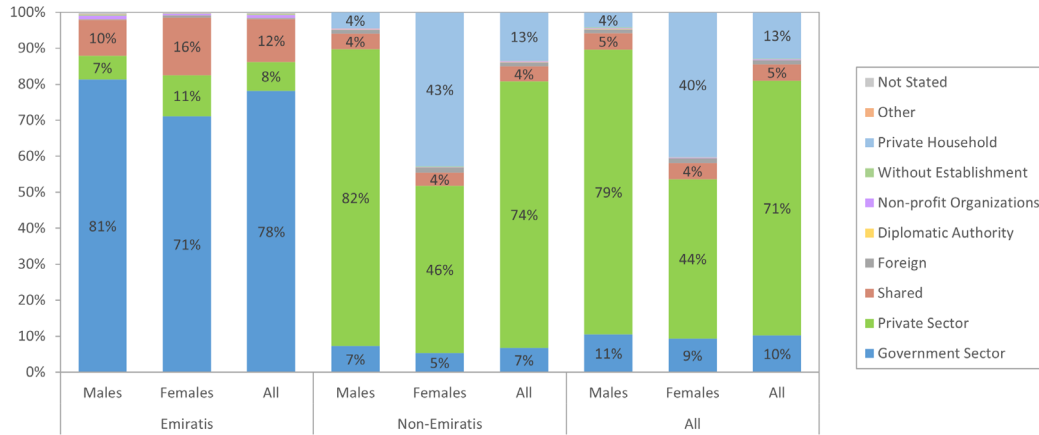
<sup>43</sup> DemoEssays, 'Emiratization: the UAE Government and Private Sector' (2022). Available at: <https://demoessays.com/emiratization-the-uae-government-and-private-sector/> (accessed 6 February 2024).

<sup>44</sup> 'Statistics by Subject: Labour Force'.

<sup>45</sup> 'FCSA Statistics Online'.

<sup>46</sup> Monica Gallant and James S. Pounder, 'The Employment of Women Nationals in the United Arab Emirates (UAE): An Analysis of Opportunities and Barriers', *Education, Business and Society: Contemporary Middle Eastern Issues* 1/1 (2008), pp. 26–33; Sumaya Al Hajeri and Camila Vammalle, 'Towards Increasing the Emirati Women Participation Rate in the Workforce', in *UAE Public Policy Forum Reports* (2020); Smith, 'Public Vs. Private'.

Figure 4: Distribution of Employment by Nationality, Gender, and Sector of Employment (2019)



Source: Federal Competitiveness and Statistics Centre.<sup>47</sup>

It is worth noting that the high unemployment rate among Emiratis could also be attributed to a weak desire to undertake entrepreneurship activities, one of the main paths towards developing private sector jobs and reducing unemployment. In fact, 97% of Emiratis (96% among men and 99% among women) are paid employees and the remaining 3% are distributed between the other categories of employer and own-account worker.<sup>48</sup> This low desire to pursue their own business reflects many social and cultural characteristics documented about Emirati society as being hierarchical, collectivist, competition and risk averse on the one hand,<sup>49</sup> and the relatively weak support for entrepreneurship in the country on the other.<sup>50</sup> Nevertheless, a recent study on the UAE documented positive attitudes towards entrepreneurship among university students, as most of them considered it as strongly rewarding, especially when the business becomes successful.<sup>51</sup>

## Working Conditions of Migrant Workers in the UAE

Employment profile of migrant workers in the UAE indicates that they are less formally educated (Figure 5). Workers with basic education or below represent 41% of non-Emiratis, whereas they represent only 17% among Emiratis. In addition, migrant workers tend to be more distributed in relatively less skilled occupations. As seen in Figure 6, while around 59% of Emiratis are found in top-skilled occupations (i.e., as managers, professionals, and technicians), non-Emiratis in these occupations represent only 35%. Non-Emirati women, for instance, have the highest employment share in elementary occupations (42%), which are in the lowest skill category. A considerable share of non-Emirati men is employed in the lowest skill category (45%), but they are more distributed among different occupations like craft

<sup>47</sup> 'Statistics by Subject: Labour Force'.

<sup>48</sup> Ibid.

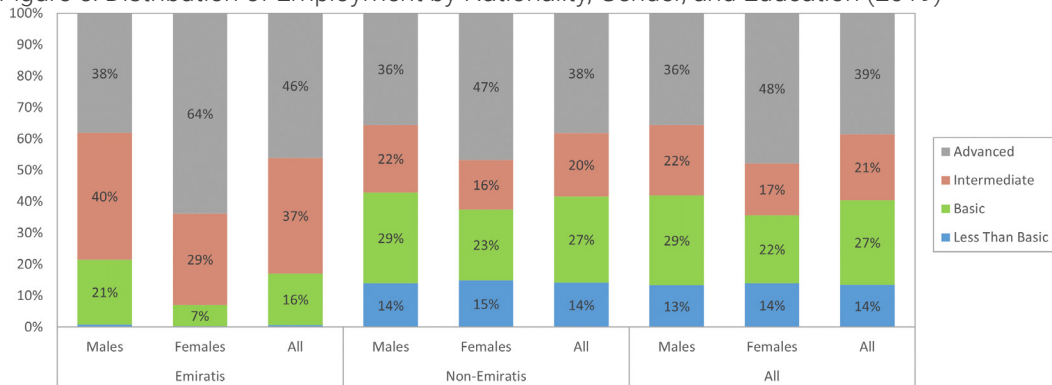
<sup>49</sup> François Facchini, Louis Jaeck and Chafik Bouhaddioui, 'Culture and Entrepreneurship in the United Arab Emirates', *Journal of the Knowledge Economy* 12 (2021), pp. 1245–69.

<sup>50</sup> Ayman Balawi, 'Entrepreneurship Ecosystem in the United Arab Emirates: An Empirical Comparison with Qatar and Saudi Arabia', *International Entrepreneurship Review* 7/2 (2021) pp. 55–66; Rizwan Tahir and Mohamed El Baradie, 'Behind the Veil: The Challenges and Impediments Encountered by Women Entrepreneurs in the United Arab Emirates', *International Journal of Entrepreneurial Venturing* 11/3 (2019), pp. 258–82.

<sup>51</sup> Fauzia Jabeen, Mohd. Nishat Faisal, and Marios I. Katsioloudes, 'Entrepreneurial Mindset and the Role of Universities as Strategic Drivers of Entrepreneurship: Evidence from the United Arab Emirates', *Journal of Small Business and Enterprise Development* 24/1 (2017), pp. 136–57.

occupations, operating and assembling occupations along with elementary occupations.<sup>52</sup>

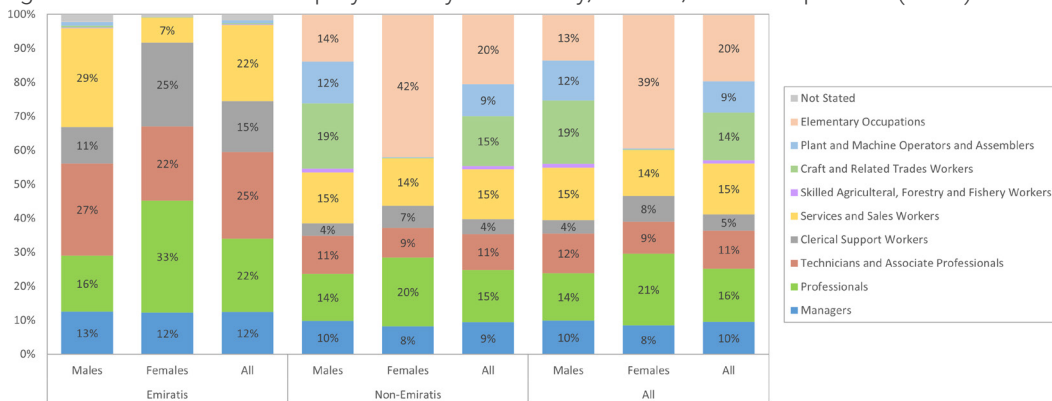
Figure 5: Distribution of Employment by Nationality, Gender, and Education (2019)<sup>53</sup>



Source: The Federal Competitiveness and Statistics Centre.<sup>54</sup>

Though migrant workers in general tend to be less formally educated, some studies found that they sometimes face deskilling problems during their employment in the UAE. This problem is common among migrants from Sub-Saharan Africa who are usually highly educated and skilled yet work in occupations that are far below their educational qualifications. The deskilling problem is evident among skilled Cameroonian and Nigerian migrants in the UAE as a direct result of racial discrimination, inability to accredit their educational certificates, weak social inclusion of migrants, their minority status, among others. This does not only have negative implications on workers' psychological health and wellbeing, but also on their long-term contribution to their home countries.<sup>55</sup>

Figure 6: Distribution of Employment by Nationality, Gender, and Occupations (2019)



Source: The Federal Competitiveness and Statistics Centre.<sup>56</sup>

<sup>52</sup> 'Statistics by Subject: Labour Force'.

<sup>53</sup> Educational categories are defined as follows: 'Less Than Basic' refers to Illiterate and Read & Write; 'Basic' refers to primary and lower secondary education levels; 'Intermediate' refers to upper-secondary and post-secondary non-tertiary education levels; and 'Advanced' refers to bachelor's degree and above.

<sup>54</sup> 'Statistics by Subject: Labour Force'.

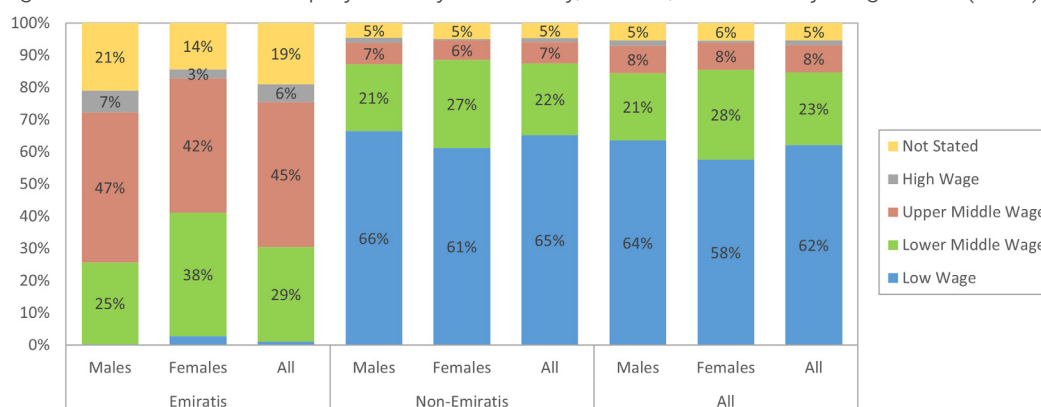
<sup>55</sup> Froilan T. Malit and Tchiapep Oliver, 'Labour Migration and Deskilling in the United Arab Emirates: Impacts on Cameroonian Labour Migrants', *Cornell University ILR School Working Paper 1/1* (2013); Bukola Adeyemi Oyeniyi, 'From Brain-Drain to Brain-Gain: Interrogating Migration, Deskilling and Return Migration in Contemporary Nigeria', in *Global Africans: Race, Ethnicity and Shifting Identities* (Abingdon: Routledge, 2017), pp. 113–29.

<sup>56</sup> 'Statistics by Subject: Labour Force'.

The distribution of Emiratis and non-Emiratis across different wage categories in Figure 7 indicates a considerable wage gap between the two groups. While most non-Emiratis are paid low wages (65%) or lower middle wage (22%), most Emiratis are paid either upper middle wage (45%) or lower middle wage (29%). It is also apparent that the general distribution patterns are similar between both men and women in each group. As highlighted earlier, wage disparities between Emiratis and non-Emiratis arise mainly from the concentration of Emiratis in the public sector and non-Emiratis in the private sector. Moreover, there is also evidence that nationals and expatriates from developed countries, who are typically found in high-paying occupations such as managerial and professional occupations, tend to get higher wages than those coming from other nationalities in the same occupations.<sup>57</sup>

Although wages provided to migrants in the UAE are typically higher than in their home countries, which is the main reason why migrants are attracted to work in the UAE, some studies also emphasised that wage disparities are severe among migrant workers within the private sector. This means that the diversity of the UAE labour market comes at the cost of inequality. For instance, while the substantial wage gap between migrants from developed and developing countries is linked to the concentration of the former in high-paid jobs and the latter in low-paid jobs, there is evidence that such wage gap does exist also among those holding comparable jobs.<sup>58</sup> Even among expatriates from developing countries, payments usually follow a hierarchical order among different nationalities which do not necessarily reflect differences in assigned tasks. Particularly, Arab countries come directly after the UAE, followed by East Asian countries, then by South Asian countries.<sup>59</sup>

Figure 7: Distribution of Employment by Nationality, Gender, and Monthly Wage Level (2019)



Source: The Federal Competitiveness and Statistics Centre. Monthly wage categories are defined as follows: 'Low Wage' is the monthly wage of AED 4,999 or less; 'Lower Middle Wage' is the monthly wage between AED 5,000-19,999; 'Upper Middle Wage' is the monthly wage between AED 20,000-49,999; and 'High Wage' is the monthly wage of AED 50,000 or more.<sup>60</sup>

<sup>57</sup> Qingxia Tong and Mouawiya Al Awad, 'Diversity and Wage Inequality in the UAE Labor Market', *Journal of Economics and International Business Management* 2/3 (2014). pp. 59-72.

<sup>58</sup> Ibid.

<sup>59</sup> Equidem, 'Discrimination and Forced Labour Practices at Expo 2020 Dubai'. Available at: [https://www.equidem.org/assets/downloads/Equidem\\_EXPOsed\\_ART\\_WEB.pdf](https://www.equidem.org/assets/downloads/Equidem_EXPOsed_ART_WEB.pdf) (accessed 17 July 2024); Serunjogi Fauziat, 'Working Abroad: A Case Study of Women Migrant Workers in the UAE'. Available at: <https://www.socialconnectedness.org/wp-content/uploads/2019/10/Migrant-Workers-in-the-United-Arab-Emirates-Final-Report-1.pdf> (accessed 17 July 2024).

<sup>60</sup> 'Statistics by Subject: Labour Force'.

Many qualitative studies that tackled working conditions of migrant workers typically focused on blue-collar migrants in sectors like construction and hospitality. They highlighted that those migrants intensively encounter poor working conditions in the UAE. Relying on focus-group discussions with 94 low-income migrant workers in these sectors in Dubai, many showed a large degree of dissatisfaction with several aspects of the work. Workers are usually paid low wages with frequent delays in payment, struggle with heavy workload without being paid for overtime work, and treated with disrespect. Moreover, some workers mentioned that they signed a different contract than what they were offered by the recruiting agencies in their home countries in terms of working hours, wage, etc. Most workers also complained about transportation and accommodation, which are normally overcrowded and unclean.<sup>61</sup>

Another study highlighted how the development model of Dubai, which is driven mainly by the construction boom and relies heavily on migrant workers, came at the expense of their well-being. For instance, the construction of the Burj Khalifa involved international collaboration with thousands of workers from over 100 nationalities. While symbolising Dubai's global emergence and progress, the conditions at the construction site were marked by unsanitary living conditions, excessively long working hours, and low wages. Although many workers responded by different forms of protests and strikes, including suicide cases, these protests and strikes often resulted in deportations and inadequate government responses, raising questions about the enforcement of labour laws.<sup>62</sup>

Interviews with migrant workers who were engaged in Expo 2020 Dubai reveals that workers, especially Asian and dark-skinned African migrants, were exposed to bullying and discrimination. Many of them also reported that they were charged recruitment fees and were forced to hand in their traveling documents to their employers. Other forms of exploitation include delays in full wage payments, hours working without overtime payment, non-receipt of copies of their contracts in their native language, etc. Although these practices are in clear breach of workers' rights according to labour laws, workers are often unable to file complaints about such violations either due to insufficient awareness of the mechanisms to do so, or because they were afraid of being laid off by their employers.<sup>63</sup>

More recently, Human Rights Watch reported many migrant workers abuses in the COP28 that took place in November 2023 in Dubai, including illegal recruitment fees, non-payment of wages, passport retention and discrimination. Workers were forced to work outdoors during the summer in the midday and extreme heat, despite the government's ban on outdoor work between mid-June and mid-September from 12:30 p.m. to 3:00 p.m. Workers also reported a lack of access to cold water, shaded rest areas, and air-conditioned transportation services. The study also showed that workers in the UAE who suffer long-term health problems like kidney failure during their employment in the country are normally sent back to their home countries without any financial support, exposing them and their families to severe financial distress.<sup>64</sup>

<sup>61</sup> Philippe Fargues, Nasra M. Shah and Imco Brouwer, 'Working and Living Conditions of Low-Income Migrant Workers in the Hospitality and Construction Sectors in the United Arab Emirates: A Survey among Migrant Workers through Focus Group Discussions', *Gulf Labour Markets and Migration Research Report 2* (2019).

<sup>62</sup> Sara Hamza, 'Migrant Labor in the Arabian Gulf: A Case Study of Dubai, UAE', *Pursuit - The Journal of Undergraduate Research at The University of Tennessee* 6/1 (2015), pp. 81–114.

<sup>63</sup> Equidem, 'EXPOsed'.

<sup>64</sup> Human Rights Watch, 'Questions and Answers: Migrant Worker Abuses in the UAE and COP28', (2023). Available at: <https://www.hrw.org/news/2023/12/03/questions-and-answers-migrant-worker-abuses-uae-and-cop28> (accessed 6 February 2024).

The situation is even harsher when it comes to migrant women domestic workers. Relying on interviews with migrant women domestic workers in 7 emirates (Dubai, Abu Dhabi, Fujairah, Ajman, Ummul Quwain, Sharjah, and Ras Al Khaimah), it was found that, in addition to the issues documented in the abovementioned studies (e.g., retention of travel documents, delayed wage payments, unpaid overtime work, inability to take formal leaves, overloaded by tasks not stated in the contract), 16 out of 20 interviewed women were exposed to sexual harassment by their employers. They reported lack of access to community support systems, weak enforcement of law, and absence of deterring penalties on non-adherent employers. These factors contribute to their exploitation and vulnerability.<sup>65</sup>

Poor working conditions of migrant workers have serious implications on their overall health and well-being. For instance, the fact that migrant workers are dominant in low-quality manual jobs makes them more prone to occupational diseases and injuries. Interviews with 1778 migrant workers of different nationalities (i.e., from Bangladesh, India, Nepal, Pakistan, and the Philippines) with different occupations (construction, cleaning, dry cleaning, mechanic workshops and hair salons) show them to be moderately to highly exposed to 20 different carcinogens in their workplaces in the UAE.<sup>66</sup> Medical records of patients with Traumatic Brain Injuries (TBI) in Abu Dhabi hospital between 2005 and 2009 disclose that 10% of these cases were reported by the patient or his/her companions as being occupational accidents. All cases were migrant males between the ages of 25 and 44. Injuries resulted dominantly from falls (63%), followed by falling objects (34%) and motor vehicle collisions (4%).<sup>67</sup>

Migrant workers are also more susceptible to diseases related to the lack of minimum hygiene requirements due to crowded accommodations. In a study that investigated the prevalence of Intestinal Parasites (IPs) among migrant workers in the industrial district of Al Ain City, 115 workers were interviewed and screened for the presence of IPs. Results indicated that approximately 47.8% of tested migrants had contracted at least one type of IP. The vast majority of those workers were living in crowded labour accommodation where they were sharing the same bedroom with more than 4 people, and the same toilet for more than 5.<sup>68</sup> Moreover, using survey data to investigate the prevalence of depression and suicidal behaviours among migrant workers in the same city, it is found that around 25% of them were fully depressed, 6.3% considered suicide, and 2.5% attempted suicide. Physical illness among construction workers, in addition to low earnings and long working hours, are the main drivers of depression and suicide among workers.<sup>69</sup>

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<sup>65</sup> Fauziat, 'Working Abroad'.

<sup>66</sup> Iffat Elbarazi et al., 'Estimate of Occupational Exposure to Carcinogens among Migrant Workers in the United Arab Emirates: A Cross-Sectional Study', *International Journal of Environmental Research and Public Health* 19/20 (2022), pp. 1–12.

<sup>67</sup> Salem AM and others, 'Traumatic Brain Injuries from Work Accidents: a Retrospective Study', *Occupational Medicine* 63/5 (2014), pp. 358–60.

<sup>68</sup> Rami H. Al-Rifai et al., 'Prevalence of, and Factors Associated with Intestinal Parasites in Multinational Expatriate Workers in Al Ain City, United Arab Emirates: An Occupational Cross-Sectional Study', *Journal of Immigrant and Minority Health* 22 (2020), pp. 359–74.

<sup>69</sup> Fatma Al Maskari and others, 'Prevalence of Depression and Suicidal Behaviors among Male Migrant



Some studies highlighted the role of the *kafala* system in such poor conditions by tying migrant workers to a specific employer and, therefore, putting them in a relatively vulnerable position. Although this system is intended to regulate migration to the country, its provisions can induce migrants to accept abuse and exploitation to avoid being deported if their contract is terminated by their employers, or being arrested should they attempt to seek other employment.<sup>70</sup> Such behaviour is understandable given the evidence emphasised in many studies that migrant workers, especially those at the base of the migration pyramid, usually consider their employment in the UAE as a starting point and opportunity for a better future.<sup>71</sup> In fact, there is strong empirical evidence that reforming the *kafala* system would improve the working conditions of migrants. For instance, reforms introduced to the system in 2011 that allowed migrants to change employers after the end of their contract, without requiring the approval of their former employers, was found to result in an increase in current migrants' earnings and retention.<sup>72</sup>

## Conclusion

This study aims to provide an overview of the UAE labour market by assessing labour market regulations for both the public and private sectors on the one hand, and various aspects related to employment quantity and quality for both nationals and migrant workers on the other hand. The overall findings of the paper indicate that while there are high unemployment rates among Emiratis, they tend to enjoy favourable working conditions. The situation is however reversed when it comes to non-Emiratis who occupy a big share of the labour market but with incomparably worse working conditions.

Labour market regulations have been traditionally known for ensuring considerably high employment quality in the public sector where nationals are concentrated. This is one of the core reasons behind the relatively low participation rates and high unemployment rates among nationals, particularly women, who are usually reluctant to pursue a career in the private sector or undertake their own business. Although the new laws do provide different legal aspects that improve the quality of work (e.g., the introduction of minimum wage, unemployment benefits, end of service payment, insurance against firms' bankruptcy, etc.), migrant workers, especially domestic workers, are excluded from most of these benefits.

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Workers in United Arab Emirates', *Journal of Immigrant and Minority Health* 13/6 (2011), pp. 1027–32.

<sup>70</sup> Fauziat, 'Working Abroad', Rhacel S. Parreñas and Rachel Silvey, 'The Governance of the Kafala System and the Punitive Control of Migrant Domestic Workers', *Population, Space and Place* 27/ 5 (2021), pp. 1–7; Mustafa Qadri, 'The UAE's Kafala System: Harmless or Human Trafficking', in *Dubai's Role in Facilitating Corruption and Global Illicit Financial Flows*, (Washington DC: Carnegie Endowment for International Peace, 2020), pp. 79–84.

<sup>71</sup> Dirk Holtbrügge, 'Expatriates at the Base-of-the-Pyramid: Precarious Employment or Fortune in a Foreign Land?', *Journal of Global Mobility* 9/1 (2021), pp. 44–64; Zan Strabac, Marko Valenta and Mouawiyah Al Awad, 'Temporary Labour Migration to United Arab Emirates: A Complex Story', *Migration and Development* 7/3 (2018), pp. 352–65; Fauziat, 'Working Abroad'.

<sup>72</sup> Suresh Naidu, Yaw Nyarko and Shing-Yi Wang, 'Monopsony Power in Migrant Labor Markets: Evidence from the United Arab Emirates', *Journal of Political Economy* 124/6 (2016), pp. 1735–92.

The review of previous studies on working conditions of migrants highlights severe exploitative practices against them from recruiting agencies and employers. Migrants suffer serious implications on their overall health and well-being as a direct result of their employment in the country. Even though all documented violations are strictly prohibited by UAE legislations, the situation reflects weak enforcement of the law and the ineffectiveness of the inspection and complaint mechanisms, as well as the almost complete absence of deterring penalties in the case of non-adherent employers, who mostly only face monetary fines for infractions.

Thus, there is an urgency to addressing the current imbalances in the UAE labour market. This could be achieved through enhancing the employability of Emiratis in the private sector on the one hand, and improving the working conditions of migrant workers on the other. Given that Emiratis, especially women, are already highly educated, facilitating their insertion in the labour market would increase returns on education and their overall contribution to their national economy. Improving working conditions in the private sector to be compatible, as much as possible, with those prevailing in the public one is also critical for adjusting their perception towards private sector jobs and facilitating their inclusion in the sector. Meanwhile, more investment is needed in developing their soft, communication, and entrepreneurship skills, especially at the early stages of education.

Pertaining to migrant workers, the study recommends reconsidering the coverage of social security benefits and expanding it to include all migrants, especially domestic workers (e.g., unemployment insurance, health insurance, pensions). Among the critical issues that also need to be addressed is increasing the awareness among migrants of their rights and the different complaint mechanisms available to report any non-adherence to the law. It is also necessary to enhance the effectiveness of different inspection mechanisms and impose deterring penalties on officials who do not undertake their roles appropriately, as well as giving workers the right to organise and unionise to enhance the community support provided to them. Further reforms to the *kafala* system are also highly required, given that there is existing evidence of the role of such reforms in improving working conditions of migrant workers. It is worth mentioning that guaranteeing the availability and quality of labour market data is the cornerstone for policies to be appropriately advocated and implemented.

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