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The Qatar Crisis in the Gulf: Implications for South Asian Migrant Workers

On 5 June 2017, Bahrain, Saudi Arabia and the United Arab Emirates cut their diplomatic relations and trade ties with Qatar. The Saudi-led diplomatic boycott soon had the support of nine countries, including the Maldives. The air, sea and land embargo on Qatar has directly affected the movement of people and goods to and from the country. This has had an adverse impact on South Asian migrant workers who make up around 70 per cent of the 2.7 million-strong population in Qatar. In addition to having to deal with the rising cost of basic foodstuff, these workers live in the constant fear of losing their jobs and not receiving their salaries, due to the slowdown of the construction sector. At the same time, they are confronted with higher prices for air travel back to their home countries. All these factors have resulted in the migrant workers' inability to remit money to their families. Their plight will further worsen if the Gulf leadership does not find a solution to the crisis soon.

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Formally established in 1981, the Gulf Cooperation Council (GCC) is a political and economic alliance of six member-states in the Arabian Peninsula, comprising Bahrain, Kuwait, Oman,

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Qatar, Saudi Arabia and the United Arab Emirates (UAE). Despite occasional differences among the GCC member states, the organisation has, by and large, been successful in managing internal diversity. It has also succeeded in promoting and cooperating in the areas of peace, security and strategic directions in the Gulf. In a rare move, three member states of the GCC, namely, Bahrain, Saudi Arabia and the UAE, along with Egypt, cut their diplomatic relations and trade ties with Qatar in the early morning of 5 June 2017, accusing Qatar of backing Islamist terrorist groups – an allegation which Qatar denied outright. The South Asian state of Maldives soon joined the Saudi Arabia-led diplomatic move against Qatar.²

The number of countries that supported the diplomatic boycott increased from four to nine. The boycott imposed by Saudi Arabia, the UAE, Bahrain and Egypt soon became a ‘Qatar blockade’ as they closed access to Qatar, with an embargo on air, sea and land traffic to and from Qatar. This blockade has directly affected the movement of people and goods to and from Qatar, raising concerns among all foreigners who constitute around 88 per cent of the 2.7 million-strong population in Qatar.

Outside the circle of Qatar’s citizen population (nearly 12 per cent Qatari citizens), it is Qatar’s impoverished migrant workers, mostly from South Asia, who are generally most hard hit by any blockade on the country. Migrant workers from South Asia constitute about 70 per cent of Qatar’s population, the majority being from India (around 650,000), Nepal (over 350,000), Bangladesh (around 280,000), Sri Lanka (around 145,000) and Pakistan (around 125,000).³ These workers live in challenging conditions, characterised by poor pay, long working hours and in scorching heat, basic living in labour camps located far from the city with minimal facilities and poor purchasing power, among others.

These low-skilled migrant workers have been severely impacted by the recent Qatar-Gulf crisis. Although the situation is constantly evolving, the blockade has already had a significant repercussion on the lives of these migrants in Qatar and their families in their home countries.

² For an early assessment of the situation following the Saudi Arabia-led diplomatic move against Qatar in June 2017, read Iftekhar Ahmed Chowdhury, *ISAS Insights No. 419 – 13 June 2017, Widening Gulf among Gulf Arabs: Implications for South and Southeast Asia*, available at <http://www.isas.nus.edu.sg>.

³ Compiled from data provided by a Qatar-based consultancy firm’s report: Jure Snoj ‘Population of Qatar by nationality 2017’, 7 February 2017. Retrieved on 3 July 2017. For details, see <http://priyadsouza.com/population-of-qatar-by-nationality-in-2017/>

Rising Price of Staple Food

Reacting to the blockade, the people in Qatar flocked to the supermarkets to stock up on daily essentials. As a result, the prices of essential commodities soared. Items such as vegetables, dairy products, rice, fish, poultry and meat, among other food items, have become pricier. While the wealthy Qataris and the highly-paid professional expatriates from the West may not have felt the impact of the sudden surge in prices, the low-income, underprivileged migrant workers have been adversely impacted by the hike in the prices of everyday essentials – they have been compelled to spend more money on food, resulting in lower savings and smaller remittances to their home countries. Given the likely continuation of the blockade, the rising food prices will further worsen the dire plight of the migrant workers in Qatar. Many migrant workers are unlikely to have three decent meals in a day. Furthermore, there could be the possibility that the Qatari government may initiate a food rationing programme targeting the migrant workers.

Uncertainty of Salary and Job

The labour camps where the migrant workers usually live are brimming with news of the uncertainty of salaries, jobs and renewal of contracts. The majority of the construction materials used to build the infrastructure in Qatar comes via land and sea through neighbouring Gulf countries. With the lack of movement of construction materials through Saudi Arabia, the UAE and Bahrain, construction work has slowed down in Qatar. The blockade means a delay in many construction projects, leading to a situation of ‘no work-no pay’ for the migrant workers. Many of these workers are also fearful that they could be forced to leave the country as some employers are unable to pay the salaries of migrant workers. There is great uncertainty among the migrant workers about their future in Qatar, as the crisis does not seem to be abating anytime soon.

Limited Flight Options

The UAE, Saudi Arabia, and Bahrain have banned flights in and out of Doha. No flights bound for Qatar can travel through the UAE and Saudi Arabian airspace. The blockade has affected

flight routes of many Gulf airlines, including Qatar Airways, Saudia, Emirates, Etihad, Fly Dubai, Air Arabia, and Gulf Air. The UAE, Saudi Arabia and Bahrain have also revoked the licenses of Qatar Airways and ordered its offices to close in their countries. Migrant workers from South Asia usually fly on budget airlines such as Fly Dubai and Air Arabia or transit through popular Gulf airports in Dubai or Abu Dhabi to fly to Qatar – it is cheaper this way than to take a direct flight to Qatar. Now, access for the migrant workers to the budget airlines based in the UAE or the other airlines that transit via these three Gulf countries has been seriously affected. At the same time, the air fare for the Qatar-South Asia-Qatar route has increased overnight due to limited flight options. South Asian migrants who had plans to return home during the Eid-ul-Fitr were not able to fly due to the higher airfares and limited flight options.

It is not just the workers in Qatar who have been affected by the blockade. Potential migrants from South Asia who are supposed to join the workforce in Qatar have also been dealt a blow. Those who had bought their air tickets to travel to Qatar cannot do so via the affected transit countries. Now, they will have to purchase new air tickets at higher prices. The higher cost of the air tickets will have to be borne by the migrant workers (and not the agents), thereby raising the recruitment cost of migration to Qatar.

Migrant Remittances

According to the most recent World Bank estimates, Qatar is the source for more than US\$10.7 billion (S\$14.7 billion) in global remittances, with South Asian countries receiving around 72 per cent of the money.⁴ Such remittances, which go directly from the migrant workers to their families back home, are generally used for food consumption, debt repayment, education, medical care, house-building, wedding ceremonies and many other purposes by the family members. The Qatar blockade has affected the earnings of the migrants as well as their ability to save because many of them are not getting their salaries on time. Furthermore, the rising prices of staple food have adversely affected their ability to save.

⁴ Compiled from data found on KNOMAD website, Retrieved on 3 July 2017 http://www.knomad.org/sites/default/files/2017-03/bilateralremittancematrix2015_Oct2016.xlsx.

The blockade has also affected the exchange rate for the Qatari Riyal. During the period leading to Eid-ul-Fitr, the migrant workers flocked to the exchange houses to remit money to their families back home. However, there were cases where the actual exchange rate for the Qatari Riyal against the Indian rupee and/or the other South Asian currency was much higher than that shown in the websites of currency converters. As a result, the migrant workers decided to delay remitting money home. The decline in the flow of remittances to South Asia undoubtedly affected the families of these migrant workers – these remittances are a lifeline for many of these families.

Conclusion

The Qatari authorities have made efforts to strengthen the laws governing foreign workers and enhance their protection in recent years. The initiatives to protect the rights of the migrant workers have also been much appreciated by the international community living in the country. The current Qatar-Gulf crisis will have a negative impact on these initiatives and will make the workers vulnerable as well as expose them to exploitation again. The migrant workers are indispensable to Qatar's development plans, particularly for the World Cup in 2022.

On their part, these migrant workers do not have any plans to quit the country – they want to continue to contribute to Qatar's development, and ensure they are gainfully employed in the country. It is in their interest to see that the Gulf leadership finds a solution soon to the crisis between Qatar and its neighbours, and once again actively promotes regional integration for peace and stability in the region.

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