Pakistani labor force in the Gulf and its impact on Pakistan

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Abstract: Pakistan started to export overseas labor force as its independence. The number of Pakistani labor has increased since the oil crisis because the Gulf needed a lot of foreign worker to relieve domestic labor shortages. They have remitted considerable amounts of money not only to their families, but also to the socio-economic progress of Pakistan. So the Pakistani government encourages labor force to find the job in the Gulf by adopting measures and perfecting the laws and regulations. Under the push and pull factors, the Gulf has become the main destination of Pakistani overseas labor force and the status will be keeping in the future.

Introduction

With the development of economic globalization, the cross-border migration of labor has become a common trend in all countries of the world. As the number of overseas workers continues to grow, issues such as legal convergence, rights protection, labor protection, life adaptation, and cultural integration are becoming more prominent, and related issues have gradually become a hot spot of academic attention. However, domestic and foreign research is relatively insufficient on overseas labor issues in countries along the Belt and Road Initiative, and research on the Gulf labor issue in the new era of Pakistan is almost blank. The diversity and diversity of Pakistan's labor exports to the Gulf region is an important factor affecting international relations in South Asia and the Gulf region, and it also has a critical impact on several key nodes along the Belt and Road. In-depth study of its current status and background, and an appropriate assessment of its development trend. This is the basis for a forward-looking, targeted research. At present, Pakistan has about 4 million overseas workers, 94% of which are concentrated in the Gulf 6 countries, namely Saudi Arabia, UAE, Kuwait, Qatar, Bahrain and Oman[1].It can be said that Pakistan’s overseas labor export destinations have obvious geographical attributes, and the Gulf region is the core area for the export of overseas workers. This paper systematically studies the current situation and background of Pakistan's labor export to the Gulf region, the impact and significance of labor export in the Gulf region on Pakistan, the interaction between the Pakistani government and overseas labor export, and the future trend of Pakistan’s labor problems in the Gulf region.

The status of Pakistan’s export of labor to the Gulf region

The first, Pakistan has a large number of workers in the Gulf. Since the 1970s, the Gulf region has become a major destination for Pakistani workers to work overseas. According to statistics released by the Pakistan Immigration and Overseas Employment Agency, from 1971 to August 2018, the total number of workers going to the Gulf was 9,953,598, accounting for 96.15% of the total number of overseas workers.

The Second, Pakistani labor output presents certain geographical characteristics. Overall, there are the largest in Punjab in the central and the Khyber Pakhtunkhwa (Northwest Frontier Province)
in the northwest, while the southern and northern regions are relatively small. According to the statistics of the Ministry of Finance of Pakistan, Punjab has the largest number of overseas workers, accounting for 52.76% of the total number of migrant workers in Japan in 2017. This was followed by the Khyber Pakhtunkhwa province, which accounted for 21.63%. This is followed by Sindh, which accounts for 10.87%. Although Pakistani-controlled Kashmir and the tribal areas have fewer migrant workers, they also show an increasing trend every year. Pakistan-controlled Kashmir increased from 22,535 in 2010 to 43,093 in 2016. Although it has declined in 2017, there are still 33,318 people working overseas, accounting for 0.07% of the total number of overseas workers. Tribal Area The number of overseas workers increased from 16,198 in 2010 to 39,628 in 2016. In 2017, there was also a downward trend, but it remained at 27,583, accounting for 0.06%. Balochistan is in the footsteps. In 2010, only 3,130 people went to work overseas. In 2017, it was only 4,528, accounting for only 0.01% of the number of overseas workers[2].

The third, the main reason for going to the Gulf for labor is to get rid of poverty and employment. There are many reasons for Pakistan’s overseas work, in order to maximize personal interests (because of the high wage gap between the destination country and the country), and to seek a variety of ways to make money, broaden the horizons, or because there are relatives in the bay, etc. But the main reason is the basic economic difficulties caused by the severe economic pressure caused by poverty, high economic debt, and even famine.

The fourth, the employment of Pakistani workers is relatively concentrated. Among the five types of labor in the Gulf region, Highly Qualified, Highly Skilled, Skilled, Semi-Skilled and Un-Skilled, The largest number of unskilled laborers and skilled workers are engaged in semi-technical labor and professionals[3].

The last but not the least, most workers lack the necessary preparations before going abroad, and their awareness of safeguarding their own interests is not strong. Before leaving the country, few workers received vocational training organized by government or vocational training institutions. They knew very little about the destination country and knew less about relevant laws and regulations. Therefore, problems related to labor disputes are endless.

The impact of labor export in the Gulf region on Pakistan

As the number of overseas workers in Pakistan continues to increase, Pakistan’s labor export growth in the Gulf region is particularly evident. Pakistani labor has become one of the largest foreign labor groups in the Gulf region, making outstanding contributions to the development of the Gulf countries and Pakistan’s economy and society. As far as the Pakistani side is concerned, this contribution is mainly manifested in the following aspects:

First of all, a large number of remittances increase the country’s foreign exchange earnings, ease the trade deficit, and improve trade balance. Since the 1970s, remittances have been the most important source of foreign exchange earnings for Pakistan in addition to foreign trade. According to the World Bank report, Pakistan is the fifth largest foreign exchange inflow country in the world[4]. The remittance of overseas workers is an important part of the remittances of Pakistan.

What’s more, it has a certain impact on alleviating social employment pressure, reducing social poverty and changing social structure. A large number of Pakistani workers going to the Gulf region each year will help ease the pressure on the employment of the Palestinian society. Remittances from overseas workers help reduce social poverty. Because remittances increase national income and encourage state investment to reduce national poverty, remittances are the main source of funds for household and personal savings and investment. Households with overseas incomes are mainly used for education, health care, savings, investment, especially fixed-asset investment. The result of
such consumption is sustainable and virtuous; families without overseas income will Its main income is used to solve the problem of food and clothing such as eating and dressing. This type of consumption is unsustainable and is likely to cause more poverty in the family. Overseas labor has impacted the original social structure model. The overseas workers have enabled the laborers to break through the limitations of traditional regional society and establish a new social network. This re-constructed social network is generally based on business, and its members are no longer dominated by relatives and fellow villagers. It has expanded to people outside the blood and hometown.

Last but not least, it has a certain positive impact on improving the personal quality of workers and improving the family’s economic situation. Overseas labor income helps to increase household income and improve the family living environment. Poverty, low domestic wages and low wages make a large number of surplus laborers go out to work every year. In particular, going to work in the Gulf has become a highlight of these labor increases. More and more migrant workers are working outside the poor. More and more. It can broaden the eyes of the workers and improve the personal qualities of the workers.

Future trends in Pakistan’s exports to the Gulf region

Whether the future Gulf region will remain the primary destination for Pakistani labor overseas exports is mainly affected by the following factors.

Above all, whether the future of the Gulf region will remain highly attractive to Pakistani workers is mainly reflected in the following aspects: on the one hand, whether the countries of the Gulf region can provide sufficient employment opportunities in the future. A large number of jobs offered by the oil economy may no longer appear in the future compared to the past. The six countries of the Gulf have clearly recognized the shortcomings of the economic structure embodied in the oil economy and the lack of innovative efforts. They are committed to the transformation of the economic structure and expect to form a modern economic structure that is compatible with the oil and gas industry and other industries. Changes in the economic structure will inevitably change the demand for jobs and employment conditions, and Pakistani overseas workers may not be able to keep up with this change. In addition, the unemployment rate in the Gulf countries is high, and the unemployment rate among young people under the age of 25 in the Gulf countries is 27%, which is twice the global average[5].The unemployment rate of the Saudi Arabian population, which receives the most labor in Pakistan, is also high. According to data released by the Saudi Arabian Statistical Office, the unemployment rate in Saudi Arabia has remained above double digits since 2011, respectively: the unemployment rate was 12.4% in 2011, 12.1% in 2012 and 11.7% in 2013, 2014. The year was 11.7%, in 2015 it was 11.5%, in 2016 it was 12.3%, and in 2017 it was 12.6%[6].As a result, the future of the Gulf region can provide employment opportunities for workers in other countries, especially the possibility of non-technical and high-end employment opportunities. One the other hand, a comfortable working and living environment. There are many religious factions in various countries, and there are constant disputes, especially long-term bloody conflicts between Shiites and Sunnis. The threat of terrorism, although the Gulf countries have adopted a counter-terrorism high-pressure policy, terrorist attacks often occur. Security issues that may arise from social transformation in the Gulf States. The Gulf countries are carrying out political, economic and social reforms. Will such reforms have problems or even turbulence?

Furthermore, whether the Gulf countries can become the main destination of Pakistani workers in the future will be affected by the following factors. Firstly, Pakistan’s domestic security situation. Domestic security has long plagued the Pakistani government and the people. Especially since 2007,
due to the spread of global terrorism and the cross-border entry of regional terrorism into Pakistan, Pakistan’s domestic security situation is grim and terrorist incidents occur frequently. The domestic environment will prompt Pakistani people to work overseas, while European and American countries are reducing the proportion of Muslim populations and setting the most stringent immigration review system in history, so the Gulf countries will once again become the ideal destination for Pakistani overseas workers. However, the increasingly stable domestic political environment and sufficient employment opportunities will not promote labor to work overseas. In 2013, the Pakistani National Assembly elections achieved the first smooth transition between the elected governments, and Pakistani politics achieved overall stability. Even the political crisis of 2015 did not lead to serious violent bloodshed and social unrest. This contributes to social stability and the sustainability of government policies, contributing to economic development and a reduction in unemployment. According to data released by the Pakistan Bureau of Statistics, Pakistan’s domestic unemployment rate has remained at around 6% since 2015, far below the 7.8% unemployment rate in 2002[7]. You can find a job in China, why bother to leave your hometown and go abroad?

The third, the impact of the China-Pakistan Economic Corridor on the future labor of the Pakistani Gulf. The impact of the China-Pakistan Economic Corridor on the Pakistani Gulf Labor is invisible. The main manifestations are: the first one, the China-Pakistan Economic Corridor will provide a large number of jobs, increase employment opportunities, and reduce the possibility of Pakistan’s delivery of labor to the Gulf. The construction of 23 projects in the early harvest phase has provided 70,000 jobs to Pakistan so far[8]. The second, the China-Pakistan Economic Corridor will help improve the people’s livelihood in Pakistan, reduce the gap between Pakistan and the Gulf countries, and reduce the attraction of the Gulf countries to Pakistani labor. Poverty alleviation and high welfare are the main reasons for Pakistani workers to work in the Gulf. The China-Pakistan Economic Corridor is “taking the construction of the China-Pakistan Economic Corridor as the center, focusing on Gwadar Port, transportation infrastructure, energy and industrial cooperation.”

Conclusion

Since the 1970s, under the dual roles of “pull” and “thrust”, the Gulf region has become the most important destination for Pakistan’s overseas labor export, which is almost a necessity in the era of economic globalization. These workers have made great contributions to the economic and social development of the Gulf region and Pakistan. At the same time, it should be noted that population migration is a ‘double-edged sword’, causing brain drain to labor exporting countries, bringing illegal labor and transnational crimes to the importing country[9]. And with the changes in the international situation, the United States and other Western countries have implemented new immigration laws, restricting labor input in Islamic countries including Pakistan. The number of Pakistani workers going to the Gulf region is less likely to decline in the future, so the Gulf region the impact of Pakistani labor on Pakistan and the Gulf region will continue to exist.

References


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