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MAGNET

Migration and Governance Network
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The Kuwaiti Labour Market and Foreign Workers: Understanding the Past and Present to Provide a Way Forward

Working paper

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Executive summary

This policy brief examines the influence of demographic transition and migration on the development of the Kuwait labour market and economy. In 2011 the Kuwaiti government announced that it would reduce the usage of the Kefala system: the primary mechanism by which migrant labour enters the country. The government aims to promote a 'Kuwaitisation' of the labour market away from a reliance on foreign labour. However, they face a number of challenges and structural issues that must be addressed in order to offset this dependence such as school quality, higher education standards and lack of vocational training. In addition, there is a low proportion of the national labour force in scientific and technical occupations; a lack of legislation encouraging the Kuwaiti labor force to work in the private sector and a lack of legislation that supports and promotes SMEs.

The Kuwaiti economy has created many jobs but they do not significantly contribute to productivity growth, given that most of this employment is located private household work and the public sector. Further policies must be introduced to support the development of the private sector in tandem with supply side factors such as education and skills training of the national population in order for productivity growth to rise.

The immigration system and policies have bolstered labour market segmentation and the concentration on low-productivity forms of employment. As empirical evidence demonstrates these forms of employment are more profitable than investing in the private sector. However, the Kuwaiti government should be more cognizant of the sustainability of oil revenues to fund welfare for Kuwait nationals and the reliance on public sector employment. A more sustainable and rational policy option that will be of benefit to Kuwaiti nationals and the long term sustainability of the economy would be to increase investment in SME's, secondary and higher education.

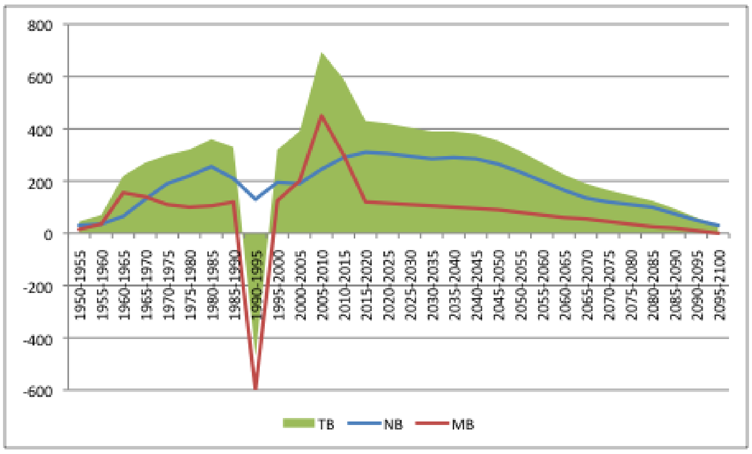
1. Demographic trends

1.1 Total population

The total population has increased from 153,000 in 1950 to over three million in 2010. The first phase of the demographic transition -during which natural balance is positive and increasing - is expected to be completed by 2020. The contribution of migration to population growth in Kuwait since 1995 has become a key issue. From 1995 migration has significantly contributed to the natural population balance (Figure 1). Projected United Nations figures which indicate that migration will progressively decrease to zero by the end of the century is unrealistic given migration trends over the last five years which show no signs of rapidly decreasing. In examining the labour market trends of Kuwait greater attention needs to be placed on the relationship and interdependence between migration, demographic trends and economic growth.

Figure 1 shows the impact of the 1990 war: a pronounced decline in the number of births, while the Migration Balance registered a negative value.

Figure 1 – Natural Balance, Migration Balance and Total Balance: 1950-2100



Source: Adapted from UNDESA data. UNDESA 2013

1.2 Demographic indicators

In order to understand the demographic trends outlined it is important to consider a number of indicators (Table 1). In 1950 the Total Fertility Rate (TFR) was 7.2 children per woman and remained so until 1970, after which it decreased to its present value of 2.7. The number of births has, however, continued to increase since the per centage increase in the number of women in fertile age has more than offset the decline in the TFR. Life Expected at Birth (LEB) has increased from 53.4 to 73.8. This is due to the decline in the Infant Mortality Rate (IMR) that is now below 10 per thousand. At the time of Kuwait's independence at the beginning of the 1960s the IMR was ten times higher.

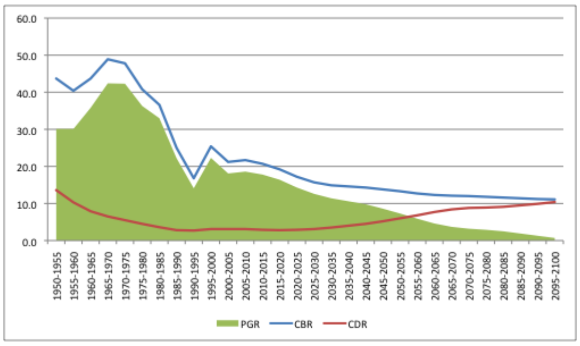
Table 1 – Demographic indicators in 1950-55 and 2005-10

	TFR	LEB	CBR	CDR	PGR	IMR
1950-1955	7.2	53.4	43.7	13.6	30.1	123.8
2005-2010	2.7	73.8	21.7	3.1	18.6	9.7
Diff.	-4.5	20.4	-22	-10.5	-11.5	-114.1

Source: UNDESA 2013

Figure 2 shows that the demographic transition was initiated by the decline in mortality rates, while the birth rate began to decline in 1970.

Figure 2 – Crude birth rate, Crude death rate and population growth rate; 1950-2100



Source: adapted from UNDESA data; UNDESA 2013

1.3 Age structure

The demographic transition has led to a significant change in population age structure. The increase in births between 1950 and 1975 led to a youth bulge of 45% (Table 2). Between 1975 and 2010 the proportion of young people decreased to around 25 per cent, whilst the Working Age Population reached 73 per cent. Between 2005 and 2011 the total population increased by almost 40 per cent from 2.1 million to 3million. The greatest per centage increase has been among children aged 0-14 increasing from 380,000 to 695,000, bringing their share of the total population to 22.7 per cent.

Table 2 – Population by main age groups - 1950 and 2010

	0-14	15-64	65+	Total	0-14	15-64	65+
1950	55	94	4	153	35.9	61.4	2.6
1975	475	557	17	1,049	45.3	53.1	1.6
2010	754	2,172	63	2,989	25.2	72.7	2.1
1950-75	420	463	13	896	9.3	-8.3	-1.0
1975-10	279	1,615	46	1,940	-20.1	19.6	0.5
1950-10	699	2,078	59	2,836	-10.7	11.2	-0.5

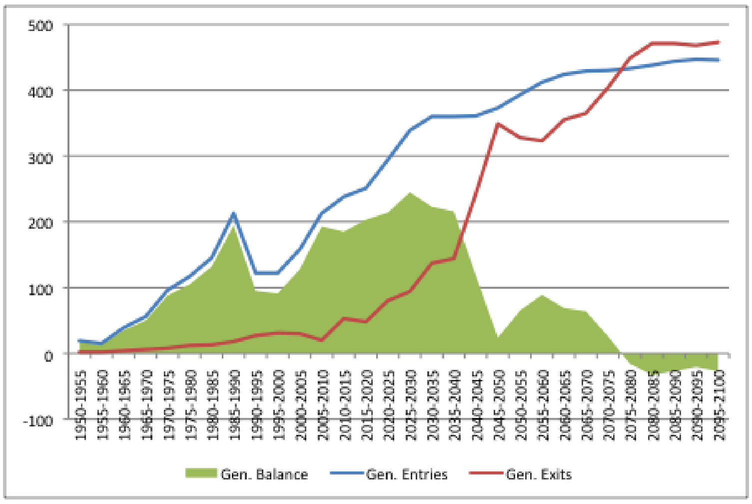
Source: Adapted UNDESA data. UNDESA 2013

1.4 Working Age Population

Figure 3 represents generational population flows. The first phase of transition is characterised by increasing changes in WAP to the end of 2025-30. The yearly natural increase in the working age population is expected to peak at 50,000 / year. The following phase will be characterised by a trend toward equilibrium in 2075. Over the next 15 years

WAP entries (of 50 to 60,000) will not be sufficient to meet employment demand. It should be noted that more than 90 per cent of people seeking a job (men and women, Kuwaiti and Non Kuwaiti) are first time job seekers.

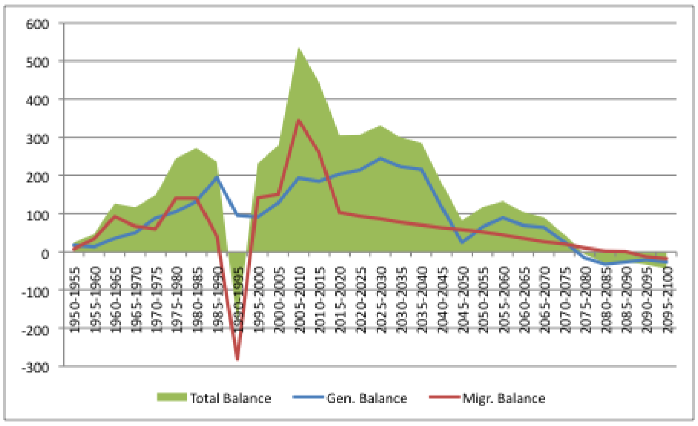
Figure 3 – Working age population: generational entries, generational exits and generational balance - 1950-2100



Source: Adapted from UNDESA data. UNDESA 2013

Figure 4 shows the natural and migration balance whose influence has almost doubled since 2000 but is expected to level off and decrease post 2015. Although given trends and data noted above this appears to be unrealistic.

Figure 4: Working age population: generational balance, migration balance and total balance - 1950-2100



Source: Adapted from UNDESA data. UNDESA 2013

1.5 Foreign citizens

A recent UNDESA publication[1] shows that the number of foreign citizen present in Kuwait is over 2 million. The number of expatriates has been steadily increasing since 2000. Foreign nationals make up 83% of the national labour force.[2]

Table 2 – Migrants and refugees, and total population: 1990 – 2013

	Males	Females	Total	Fem/Total
	Migrants and refugees			
1990	966	619	1 585	39.0
2000	1 013	487	1 500	32.5
2010	1 310	562	1 872	30.0
2013	1 419	609	2 028	30.0
	Population			
1990	1 099	961	2 060	46.7
2000	1 123	783	1 906	41.1
2010	1 788	1 204	2 992	40.2
2013	2 014	1 355	3 369	40.2
	% of migrants and refugees			
1990	88.0	64.4	77.0	
2000	90.2	62.2	78.7	
2010	73.3	46.7	62.6	
2013	70.5	44.9	60.2	

Source:

The number of foreign citizens as a percentage of the total population reached 78.7 per cent in 2000 and remains high at 60.2 per cent in 2013. The number of female expatriates has been steadily declining to 30 per cent in 2013. Male expatriates represent 70.5 of Kuwait's male population.

Foreigners in Kuwait originate from 40 countries, although the top 5 countries account for 76.9 per cent of immigrants. Indians represent more than 25% of total foreign population followed by Bangladesh (13.8 per cent) and Pakistanis (12 per cent) (Table 3).

Indonesians are the only national group in which females are the majority (72.1 per cent). At the other extreme is Bangladesh (14.6 per cent) and India (2.9 per cent).

Table 3 – Foreign citizens by country of origin

[1] UN, DESA (2006): 'International Migration in the Arab Region', UN Expert Group Meeting on International Migration and Development in the Arab Region, Beirut, 15-17 May 2006. UN/POP/EGM/2006/14 cited in Baldwin-Edwards M (2011) Labour immigration, labour markets and demographics in the GCC countries: national patterns and trends.

[2] Baldwin-Edwards M (2011) Labour immigration, labour markets and demographics in the GCC countries: national patterns and trends.

	Absolute value	F/T	%	Cum %
India	730 558	25.9	36.0	36.0
Bangladesh	279 169	14.6	13.8	49.8
Pakistan	244 281	24.9	12.0	61.8
Egypt	182 342	37.1	9.0	70.8
Philippines	122 214	27.7	6.0	76.9
Indonesia	82 139	72.1	4.1	80.9
Yemen	51 598	34.8	2.5	83.4
Sudan	39 693	39.0	2.0	85.4
Jordan	36 242	38.9	1.8	87.2
Sri Lanka	27 251	49.7	1.3	88.5
First 10 countries	1 795 487	28.6		88.5
Other countries	232 566	41.3		11.5
Total	2 028 053	30.0		

The Non Kuwaiti (Foreign) population has increased much more than the native population, 48.2 per cent versus 26.7 per cent. The same trend is present across all age groups. In 2011 Non Kuwaitis were made of 41.7 per cent of children, 72 per cent of the working age population and 36.2 per cent of the elderly.

The numbers of foreign (Non Kuwaiti) women has rapidly increased (69.8 per cent versus 36.9 per cent) so that the gender ratio of the Non Kuwaiti population has improved. 75 per cent of the inter census growth in Kuwait has been due to the arrival of foreigners particularly among the WAP. 9 out of 10 additional members of this group are Non Kuwaiti.

Table 4 - Contribution to population growth by Non Kuwaiti and women: total and by main age group

Contributions to population growth by Non Kuwaiti and women; total and by main age group						
	Percentage contribution of Non Kuwaiti			Percentage contribution of women		
	Male	Female	Total	K	NK	T
0-14	46.3	43.7	45.0	49.6	47.0	48.5
15-64	91.0	92.1	91.6	47.5	50.8	50.5
65+	54.8	32.7	43.5	60.8	38.3	51.0
Total	73.7	73.7	73.7	49.7	49.8	49.8

In general it may be stated that between 2005 and 2011 the Kuwaiti population while experiencing an increase in foreign workers, became younger and more equal in terms of male / female ratios.

2. Labour market

2.1 Labour market segmentation in GCC and a 'race to the bottom' for workforce skills and wages

Baldwin-Edwards (2011) notes that a complex set of labour market sectors (public-private, native-immigrant, male female, and formal-informal) interact and reinforce each other which constitute key elements of the GCC labour markets. These factors will continue to shape the evolution and structure of the GCC labour markets.

Throughout the Middle East and Northern Africa (MENA) region, there is a legacy of state intervention in the economy dating back to the 1950s and 1960s: after nationalization of major assets and direct control of economic production, the public sector emerged as the primary locus of employment.[3] Today the public sector is the main employer of GCC nationals. The sector offers relatively high wages, job security, social benefits and generous pensions. It also has shorter working hours than the private sector which has allowed many civil servants to engage in other 'businesses' .[4]

Immigration became an economic driver as soon as oil exploitation began. In countries such as Kuwait that were rapidly undergoing social and economic development there was, however, an early (pre oil boom) demand for foreign workers. This growth was concentrated in construction, government bureaucracy and service sectors. In the early 1970s the total number of foreign workers across the GCC was estimated to be between 800,000 to 1.25 million.[5] In Kuwait the number of foreigner workers was 45% of the total workforce.

With the advent of the 'oil boom', the foreigner worker population doubled. Domestic political elites adopted and maintained a policy of not investing or promoting the education or skills of the national native workforce population. The policy aim was to utilize the plentiful supply of foreigner workers to accelerate economic development and construction rather than adopt long-term policies of developing the education and skills base of Kuwaiti nationals.[6]

Across GCC countries nationals tend to be employed in the public sector. Immigrants who are willing to accept lower wages, although better trained and more flexible than their native counterparts work in the private sector. Baldwin-Edwards[7] observes that the 'overlaying of the national/migrant distinction with the public/private sectors has had the effect of reinforcing segmentation, resulting in extreme disparities between employment in the two sectors' (p15). Furthermore 'In terms of skilled work, generally the local workers lack the required technical skills to perform the tasks required. Indigenous education has barely

[3] World Bank, 2008. The Road Not Traveled: Education Reform in the Middle East and North Africa. New York: World Bank.
[4] IMF, 2004. Emerging Strains in GCC Labor Markets. IMF Working Paper WP/04/71, International Monetary Fund.
[5] Winckler, O., 2009a. Arab Political Demography, second edition. Brighton: Sussex Academic Press.
[6] Ditto, M., 2010. Labor Migration in the GCC Countries, in Middle East Institute, Migration and the Gulf. Washington, DC: Middle East Institute, pp. 70–86.
[7] Baldwin-Edwards (2011) Labour immigration and labour markets in the GCC countries: national patterns and trends. Available at: http://www.lse.ac.uk/IDEAS/programmes/kuwait/documents/Baldwin-Edwards,%20Martin.pdf

changed over decades, maintaining traditional religious doctrines; university graduates rarely attain the necessary skills, with studies in the humanities and social sciences'.[8]

Further Baldwin-Edwards notes that gender segregation in the labour market has reinforced public–private and native–immigrant disparities. For instance the limited amount of female employment (in the service sector) is divided between highly paid civil service posts for nationals and private household employment for migrant women

2.2 Drivers of segmentation

The specific type of labour market segmentation found in GCC countries and particularly in Kuwait has been driven by two factors. Firstly the Kafala, or sponsorship system. Through this system temporary workers are recruited by a sponsor (*the kafeel*). The worker is deemed to be a temporary 'guest' of their sponsor or employer and their rights and pay levels are restricted. As Winckler notes the large-scale supply of low-cost labour originating from Asia the effect has been a downward pressure on unskilled, semi-skilled and even skilled pay levels[9].

Secondly 'privileged' state sector employment for nationals. This is the reason why the private sector is neither willing nor able to absorb the growing indigenous labour forces of the GCC countries. Equally, the lack of private sector investment in capital-intensive production, new technology and accompanying training and education has led according to Shaham[10] substantial declines in productivity over the last decade

Throughout the GCC there has been a 'race to the bottom' for employment paying very low wages. This is largely a result of almost unlimited supplies of unskilled and semi-skilled labour from Asia. Cultural or traditional barriers have also acted to self-exclude nationals from jobs in the service sector such as taxi-drivers, food-service clerks and all forms of household work that may be considered below that of native Kuwaiti to undertake and therefore the are the domain of foreign workers.[11] Given the size of the low wage and informal employment sectors across the GCC there is surprisingly little data or research on these sectors.

2.3 Employment, labour force and working age population

[8] Baldwin-Edwards (2011) Labour immigration and labour markets in the GCC countries: national patterns and trends. Available at: http://www.lse.ac.uk/IDEAS/programmes/kuwait/documents/Baldwin-Edwards,%20Martin.pdf

[9] Winckler, O., 2009b. Labor and Liberalization: The Decline of the GCC Rentier System, in J. Teiterlbaum (ed.), Political Liberalization in the Persian Gulf. New York: Columbia University Press, pp. 59–85

[10] Shaham, D., 2009. Foreign Labor in the Arab Gulf: Challenges to Nationalization. al Nakhlah, Fall 2008, http://fletcher.tufts.edu/al_nakhlah/Fall2008/DhaliaShahamANformat.pdf

[11] Baldwin-Edwards (2011) Labour immigration and labour markets in the GCC countries: national patterns and trends. Available at: http://www.lse.ac.uk/IDEAS/programmes/kuwait/documents/Baldwin-Edwards,%20Martin.pdf

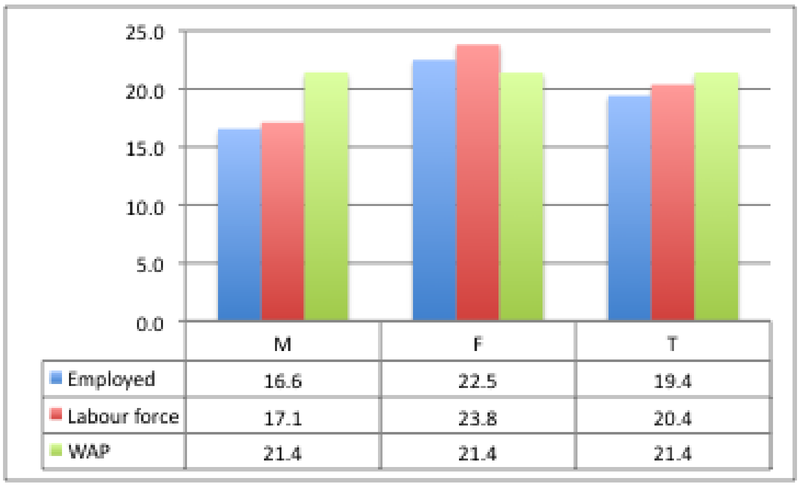
Between 2005 and 2011, 611,000 jobs were created, corresponding to 54.4 increase. This increase in employment was paralleled by a more pronounced increase in the labour force (654,000 equal to 57 per cent), while WAP (15+) increased by 706,000 (43.4 per cent).

The percentage increase in employment was slightly higher for nationals (57.3 per cent) than migrants (53.7 per cent). The contribution of Kuwaiti nationals to the growth in employment, labour force and the working age population has been modest equating to 19.4 per cent, 20.4 per cent and 21.4 per cent, respectively. The contribution of Non Kuwaiti is inverse. 80.6 per cent (employment), 79.6 per cent (labour force) and 78.6 per cent of the WAP (Table 5).

Table 5 – Main labour market variables by sex and nationality. absolute values, absolute change and per cent change. 2005 and 2011

	Kuwaiti			Non Kuwaiti			Total		
	M	F	T	M	F	T	M	F	T
2005									
Employed	135.4	71.6	207.0	705.5	211.6	917.1	840.8	283.2	1,124.0
Unemployed	7.1	3.1	10.2	10.0	2.2	12.2	17.1	5.2	22.4
Labour Force	142.5	74.7	217.1	715.5	213.8	929.2	858.0	288.4	1,146.4
2011									
Employed	188.1	137.5	325.6	971.1	438.6	1,409.7	1,159.2	576.1	1,735.3
Unemployed	4.8	9.7	14.4	13.1	14.9	27.9	17.8	24.5	42.4
Labour Force	192.9	147.2	340.0	984.1	453.5	1,437.6	1,177.0	600.6	1,777.7
2005-11									
Employed	52.7	65.9	118.6	265.6	227.0	492.6	318.4	292.9	611.3
Unemployed	-2.3	6.6	4.3	3.1	12.7	15.7	0.7	19.3	20.0
Labour Force	50.4	72.5	122.9	268.7	239.7	508.4	319.1	312.2	631.3
2005-11									
Employed	39.0	92.0	57.3	37.7	107.3	53.7	37.9	103.4	54.4
Unemployed	-32.8	216.6	42.0	30.5	583.1	129.2	4.2	369.2	89.5
Labour Force	35.4	97.1	56.6	37.6	112.1	54.7	37.2	108.3	55.1

Figure 5 – Kuwait contributions to Employment, Labour Force and WAP Growth between 2005 and 2011 by sex.



Unemployment has almost doubled, passing from 22,000 to 44,000 in Kuwait. The most significant increases have been concentrated among women 5,000 to 25,000, and especially Non Kuwaiti women (from 2,000 to 15,000).

The per centage increase in terms of the number of women in the labour market and as a proportion of the working age population has been much more pronounced than that of men both for Kuwaiti and Non Kuwaiti citizens (Table 5)While the percentage of women in employment and the labour force has augmented from 25.2 per cent to around 33.2 per cent, the number of women experiencing unemployment has increased from 23.4 to 46 per cent. The situation of Kuwaiti women with respect to unemployment remains more problematic than that of Non Kuwaitis: there has been an increase from 30 and 17.9 per cent to 51.7 and 42.5 per cent.

The increase in the share of women in the GCC and Kuwait labour force is a result of the wider changing social and economic roles of women in the region.[12] The participation of women in the Kuwaiti labour force is higher than the regional average.

Table 6 –Main labour market variables; percentage of women, 2005 and 2011

	2005			2011		
	Kuwaiti	Noin Kuwaiti	Total	Kuwaiti	Noin Kuwaiti	Total
Employed	34.6	23.1	25.2	42.2	31.1	33.2
Unemployed	30.0	17.9	23.4	51.7	42.5	46.0
Labour Force	34.4	23.0	25.2	42.9	31.4	33.7

The proportion of Non Kuwaitis in labour force and employment has not substantially changed: it remains around 83 per cent for men and 76 per cent for women. Essentially approximately 80 per cent of the jobs available are occupied by immigrants.

Table 7 – Population by main age group and main labour market variables; per centage of Non Kuwaiti, 2005 and 2011

	2005			2011		
	Male	Female	Total	Male	Female	Total
Employed	83.9	74.7	81.6	83.8	76.1	81.2
Persins seking empl.	58.5	41.6	54.5	66.0	57.3	62.0
Labour Force	83.4	74.1	81.1	83.3	75.2	80.5

2.4 Labour market indicators

Data shows that:

- Between 2005 and 2011 the Total Employment to Population Ratio (RoE) has notably increased from 62 to 73.2 per cent. This is due to the positive dynamic of both specific indicators: that for men has increased from 76.2 to 84 per cent and for women from 39.9 per cent to 58.1 per cent;
- The rate of employment has significantly increased both for Non Kuwaiti and Kuwaiti; the first from 33 to 47.6 per cent, the second from 77.4 to 83.6 per cent;

[12] Zovighian D (2012) "Gulf Women's Participation in the Labour Market: Participation in the Labour, Care and Social Protection in Patrialchal Systems." Refers to increased educational levels, changing patterns of fertility and marriage and, to some extent, with a progressive alteration of the dominant male breadwinner model.

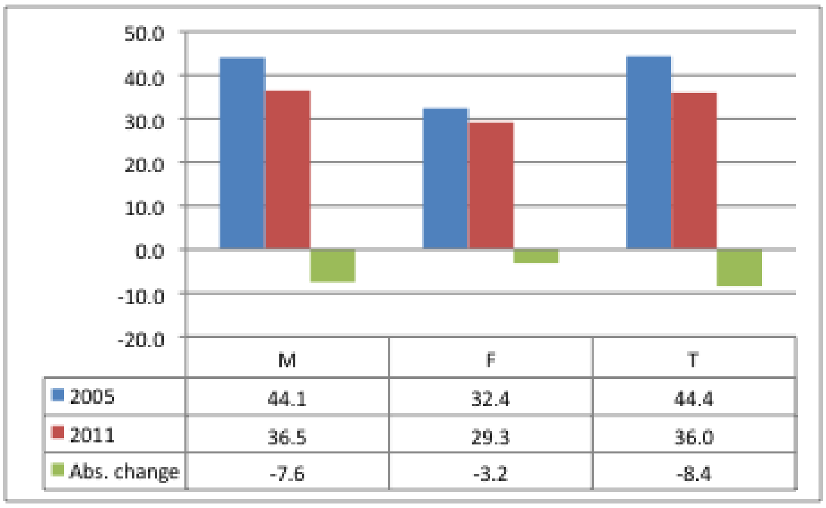
- The performance of women has been more dynamic than that of men, especially for Kuwaiti nationals; the rate of employment of Kuwaiti women has in fact increased from 22.2 per cent to 39.2 per cent, while that of Non Kuwaiti women from 54.6 68.5 per cent.

The differential between the Employment to Population Ratios of Kuwaiti nationals and of foreign citizens has decreased but remains extremely pronounced. This is a clear indication of existence of a dual labour market in Kuwait.

Table 8 – Main labour market indicators by sex and nationality: 2005 and 2011

	2005			2011			2005-2011		
	M	F	T	M	F	T	M	F	T
Kuwaiti									
RoE	44.3	22.2	33.0	56.4	39.2	47.6	12.1	17.0	14.6
RoU	5.0	4.1	4.7	5.9	8.5	7.0	1.0	4.4	2.3
RoA	46.6	23.2	34.6	65.5	46.6	55.8	18.8	23.4	21.2
Non Kuwaiti									
RoE	88.4	54.6	77.4	92.9	68.5	83.6	4.5	13.8	6.2
RoU	1.4	1.0	1.3	2.3	3.7	2.8	0.9	2.7	1.5
RoA	89.6	55.2	78.4	95.1	71.1	86.0	5.4	15.9	7.6
Total									
RoE	76.2	39.9	62.0	84.0	58.1	73.2	7.9	18.2	11.2
RoU	2.0	1.8	2.0	2.9	4.9	3.6	0.9	3.1	1.6
RoA	77.7	40.6	63.2	86.6	61.1	75.9	8.8	20.5	12.7

Figure 6 – Employment to Population ratio by sex: 2005-2011. Kuwaiti - Non Kuwaiti differential



Between 2005 and 2011 unemployment increased both for Kuwaiti and Non Kuwaiti - men and women. Rates above frictional levels of unemployment are 3.7% for Non Kuwaiti men and 5.9% Kuwait men and 8.7% for women.

2.5 Employment by sector

In 2011 employment in the productive sectors (Agriculture, Industry and Construction) represented 18.7 per cent of total national employment. In 2005 the share of these sectors was 23.2 per cent. While Industry had remained almost unchanged (-0.3 per cent), Agriculture has almost halved, becoming a marginal employment sector. Construction has shrunk 3% (Table 6).

Private services shrank from 22 to 14.8 per cent. The Public sector shrank by 2.4 per cent. Real Estate (+3.2 per centage points) and the Private Households sector (+11.2 per centage points) experienced increases.

In 2011 a third of the employed worked in the Private Households sector, a quarter in the Public sector, a slightly lower figure in the Private Service sector and less than one fifth in the Productive sectors.

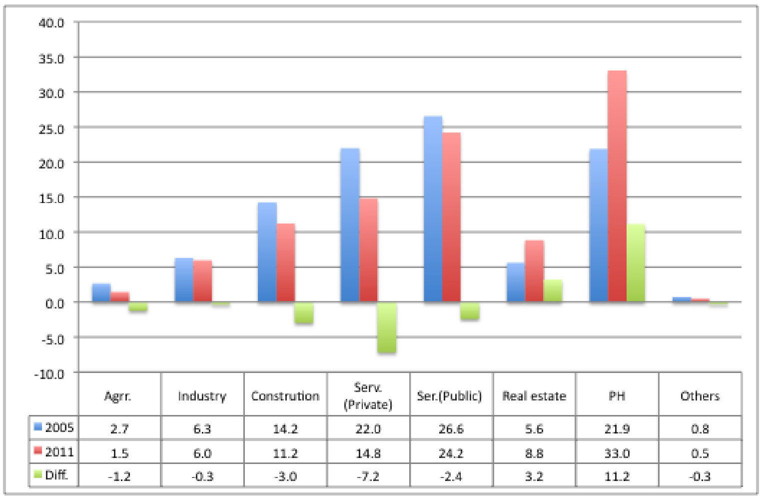
Table 9 – Employed by sex, nationality and sector; absolute value and per centage composition. 2005

	Kuwaiti			Nopn Kuwaiti			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Absolute value								
Agriculture.	0.2	0.0	0.2	29.9	0.1	30.0	30.1	0.1	30.2
Industry	9.7	1.1	10.8	58.1	2.3	60.5	67.8	3.5	71.3
Construction	1.8	0.3	2.1	155.5	2.6	158.0	157.3	2.9	160.2
Serv.(Private)	12.6	4.0	16.6	214.6	16.2	230.8	227.2	20.2	247.4
Real estate	2.1	0.6	2.7	55.2	5.0	60.3	57.4	5.6	63.0
Ser.(Public)	108.1	65.0	173.1	93.2	32.7	125.9	201.4	97.6	299.0
PH	0.1	0.1	0.2	94.9	151.0	245.9	95.0	151.1	246.1
Others	1.5	0.7	2.1	4.9	1.7	6.6	6.3	2.4	8.7
Total	136.1	71.8	207.8	706.3	211.7	918.0	842.4	283.5	1125.9
	Percentage composition								
Agriculture.	0.1	0.1	0.1	4.2	0.0	3.3	3.6	0.0	2.7
Industry	7.1	1.6	5.2	8.2	1.1	6.6	8.0	1.2	6.3
Construction	1.3	0.4	1.0	22.0	1.2	17.2	18.7	1.0	14.2
Serv.(Private)	9.2	5.6	8.0	30.4	7.7	25.1	27.0	7.1	22.0
Real estate	1.6	0.8	1.3	7.8	2.4	6.6	6.8	2.0	5.6
Ser.(Public)	79.5	90.5	83.3	13.2	15.4	13.7	23.9	34.4	26.6
PH	0.1	0.1	0.1	13.4	71.3	26.8	11.3	53.3	21.9
Others	1.1	0.9	1.0	0.7	0.8	0.7	0.7	0.8	0.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 10 – Employed by sex, nationality and sector: absolute value and per centage composition. 2011

	Kuwaiti			Nopn Kuwaiti			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Agriculture.	0.6	0.4	1.1	23.5	0.8	24.3	24.2	1.2	25.4
Industry	13.8	2.5	16.4	83.2	4.7	87.9	97.0	7.3	104.3
Construction	3.1	1.5	4.6	170.3	20.8	191.1	173.4	22.3	195.7
Serv.(Private)	18.7	10.0	28.6	208.1	21.2	229.3	226.7	31.2	257.9
Real estate	8.9	4.6	13.5	128.1	11.9	140.0	137.0	16.5	153.5
Ser.(Public)	143.2	118.3	261.5	103.2	56.0	159.2	246.5	174.3	420.8
PH	0.0	0.0	0.0	253.1	321.6	574.8	253.1	321.6	574.8
Others	1.2	1.1	2.3	3.2	2.7	5.9	4.4	3.8	8.2
Total	189.6	138.4	328.0	972.8	439.8	1412.6	1162.4	578.2	1740.6
	Percentage composition								
Agriculture.	0.3	0.3	0.3	2.4	0.2	1.7	2.1	0.2	1.5
Industry	7.3	1.8	5.0	8.6	1.1	6.2	8.3	1.3	6.0
Construction	1.6	1.1	1.4	17.5	4.7	13.5	14.9	3.9	11.2
Serv.(Private)	9.8	7.2	8.7	21.4	4.8	16.2	19.5	5.4	14.8
Real estate	4.7	3.3	4.1	13.2	2.7	9.9	11.8	2.9	8.8
Ser.(Public)	75.6	85.5	79.7	10.6	12.7	11.3	21.2	30.1	24.2
PH	0.0	0.0	0.0	26.0	73.1	40.7	21.8	55.6	33.0
Others	0.6	0.8	0.7	0.3	0.6	0.4	0.4	0.7	0.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Figure 7 – Sectors share in employment: 2005 and 2011 and absolute variation



Between the two Kuwaiti census the number of non-Kuwaiti workers has declined substantially across sectors especially in Public, Private services and Real estate. They have experienced a small increase in the Private household sector. As a result the concentration of non-Kuwaiti workers in the Private Household sector has increased.

In 2011 more than 40 per cent worked in the private household sector versus 26.8 per cent in 2005. A further 41 per cent of non-Kuwaiti workers are concentrated in Private service sector, Construction and the Public sector. However the share of these 3 sectors had substantially declined since in 2005 when they accounted for 56.1 per cent of employment for non-Kuwaiti workers. Real estate now accounts for almost 10 per cent of non-Kuwaiti employment.

In spite of these labour market changes Kuwaitis still occupy 86 per cent of the Public sector jobs.[13]

Table 7 – Non Kuwaiti workers; per centage in the main economic sectors and per centage distribution by main economic sector.

	Percentage of NK			Percentage distribution of NK		
	2005	2011	Diff	2017	2023	Diff
Agrr.	99.3	95.9	-3.5	3.3	1.7	-1.5
Industry	84.8	84.3	-0.5	6.6	6.2	-0.4
Constrution	98.7	97.6	-1.0	17.2	13.5	-3.7
Serv.(Private)	93.3	88.9	-4.4	25.1	16.2	-8.9
Real estate	95.7	91.2	-4.5	6.6	9.9	3.3
Ser.(Public)	42.1	37.8	-4.3	13.7	11.3	-2.4
PH	99.9	100.0	0.1	26.8	40.7	13.9
Others	75.7	72.2	-3.5	0.7	0.4	-0.3
Total	81.5	81.2	-0.4	100.0	100.0	0.0

Almost all women work in the service sector (94 per cent). The difference between Kuwaiti and non-Kuwaiti women is small - 96 per (Kuwaiti) and 93.4 per cent (Non Kuwaitis). However the distribution of the two nationalities is quite different.

The vast majority of Kuwaiti women work in the Public Service sector (85.7 per cent) while the Private Service sector absorbs 7.2 per cent and the Real Estate 3.3 per cent. Non Kuwaiti

[13] Baldwin-Edwards (2011) Labour immigration and labour markets in the GCC countries: national patterns and trends. Available at: http://www.lse.ac.uk/IDEAS/programmes/kuwait/documents/Baldwin-Edwards,%20Martin.pdf

women are largely concentrated in the Private Household sector - 73.1 per cent. The remainder work mainly in the Private Service (4.8 per cent), Construction (4.7 per cent) and Real Estate (2.7 per cent).

It must be emphasized that since 2005 the concentration of Kuwaiti women has slightly diminished since their share in the Public sector has decreased and those of the Private Sector and of the Real estate have increased. In addition the distribution of Non Kuwaiti women shows an increase in the presence in the Private household sector and in Construction and a decline in the Public and Private Service sector.

Data seem therefore to suggest a substitution of Kuwaiti women to Non Kuwaiti women in the Private Service sector, but also an injection of more Kuwaiti men than women in the Public sector.

Women represent the majority (56 per cent) in the Private Household, while their presence is relevant also in the Public service sector (41.4 per cent). Their presence is just above 10 per cent in the Private service sectors (12.1 per cent), Construction (11.4 per cent) and real Estate (10.8 per cent).

Table 11 – Women (%) in the main economic sectors and per centage distribution by sector.

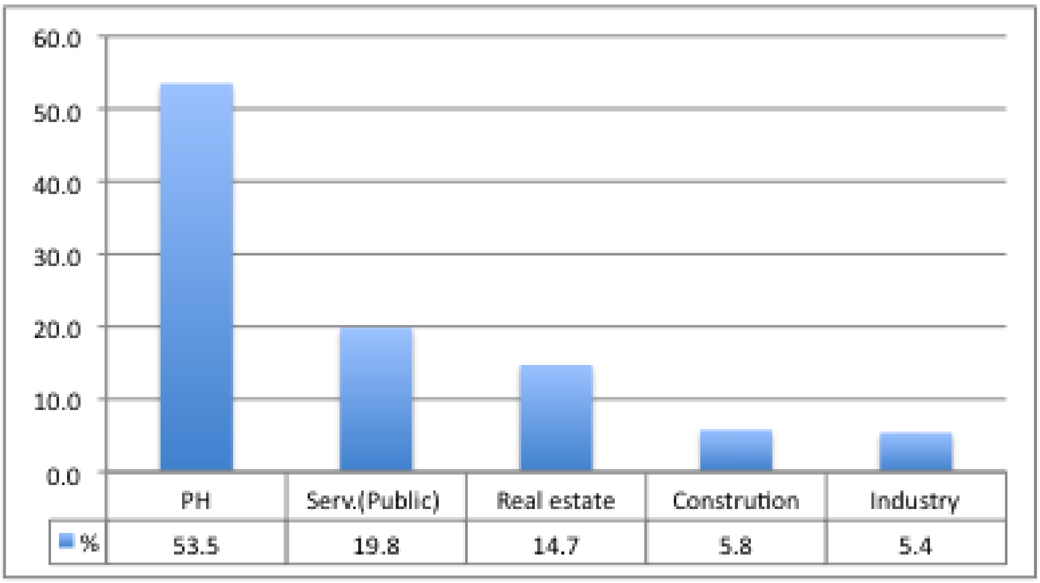
	% of women in each sector			Distribution of women by sector		
	K	NK	Total	K	NK	Total
	2005					
Agrr.	21.4	0.3	0.4	0.1	0.0	0.0
Industry	10.5	3.9	4.9	1.6	1.1	1.23
Constrution	14.7	1.6	1.8	0.4	1.2	1.02
Serv.(Private)	24.2	7.0	8.2	5.6	7.7	7.14
Real estate	21.0	8.4	8.9	0.8	2.4	1.98
Ser.(Public)	37.5	25.9	32.7	90.5	15.4	34.44
PH	44.2	61.4	61.4	0.1	71.3	53.31
Others	31.2	26.1	27.3	0.9	0.8	0.84
Total	34.5	23.1	25.2	100.0	100.0	100.00
	2011					
Agrr.	40.5	3.3	4.9	0.3	0.2	0.2
Industry	15.4	5.4	7.0	1.8	1.1	1.3
Constrution	33.4	10.9	11.4	1.1	4.7	3.9
Serv.(Private)	34.9	9.2	12.1	7.2	4.8	5.4
Real estate	34.1	8.5	10.8	3.3	2.7	2.9
Ser.(Public)	45.2	35.2	41.4	85.5	12.7	30.1
PH		56.0	56.0	0.0	73.1	55.6
Others	46.4	46.2	46.2	0.8	0.6	0.7
Total	42.2	31.1	33.2	100.0	100.0	100.0
Agrr.	19.1	3.0	4.4	0.2	0.1	0.2
Industry	4.9	1.5	2.1	0.2	0.0	0.0
Constrution	18.6	9.2	9.6	0.7	3.5	2.8
Serv.(Private)	10.7	2.2	3.9	1.6	-2.8	-1.7
Real estate	13.0	0.1	1.9	2.5	0.3	0.9
Ser.(Public)	7.7	9.2	8.8	-5.0	-2.7	-4.3
PH	-44.2	-5.5	-5.4	-0.1	1.8	2.3
Others	15.1	20.1	18.9	-0.2	-0.2	-0.2
Total	7.7	8.1	8.0	0.0	0.0	0.0

The segmentation by sector, nationality and gender is apparent when examining the dynamic of employment in the inter-census period.

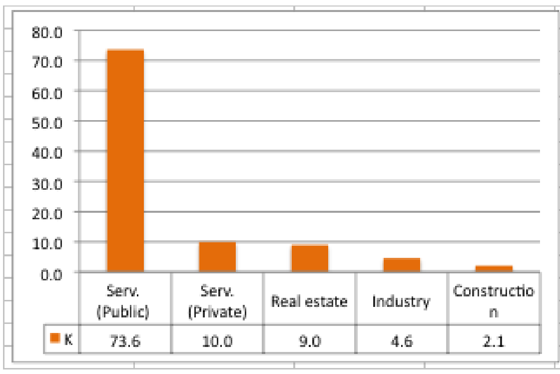
For total employment 99.2 per cent of the observed increase is accounted for by 5 sectors: 53 per cent by the Private households sector, 19.8 per cent by the Public Service, 14.7 per cent by Real estate, 5.8 by Construction and 5.4 by Industry. More than half of the employment employment increase has been as a result of the expansion of domestic house services, one fifth in the public sector and only 11.2 per cent by productive sectors, A relevant observation in relation to the need for future migrant labour is that in 2011 that for every Kuwaiti citizen there were 527 non-Kuwaiti servants, and between 2005 and 2011 the ratio between additional servants and additional citizens has been 1.4

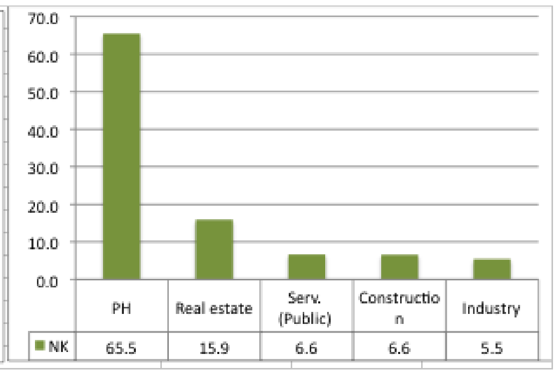
Segmentation is even more pronounced when examining the labour market experiences of Kuwaitis and non-Kuwaitis. In the case of the Kuwaiti citizen the main contribution originates from the Public sector (73.6 per cent), followed by the Private Service sector and Real Estate, with values around 10 per cent, and finally by Industry (4.6 per cent) and Construction (2.1 per cent). On the other end, in the case of Non Kuwaiti citizens, two thirds of the employment growth has come from the Private Household sector, followed by Real Estate with 15.9 per cent. The other three sectors with values around 6 per cent are the Public sector, Construction, and Industry.

Figure 8 – Sectors contributions to Total Employment growth between 2005 and 2011



Figures 9 and 10 – Sectors contributions to Kuwaiti and Non Kuwaiti employment growth between 2005 and 2011.





Statistical sources

Kuwait Central Statistical Bureau (الإدارة المركزية للإحصاء)