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The Impact of the Labor policy on demographics

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Views presented in this working paper are those of the authors and do not necessarily represent views of Zayed University



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Abstract

As a country that relies heavily on imported workers, the impact of the United Arab Emirates' (UAE) labor policies on demographics cannot be overstated. The number and the types of workers admitted into the UAE every year, and the duration of their stay, directly affect the demographic profile of the nation's population in terms of size, growth, age, gender, race, health, nationality, as well as socioeconomic status like education and income. Policies that continue to encourage the importing of young, uneducated and low-paid workforce from abroad would only exacerbate the existing gender and ethnic imbalance in the population; as such workers tend to be male, single, and coming from a few south Asian countries. By contrast, labor policies that encourage the use of more skilled knowledge workers are more likely to bring in people from more diverse ethnic backgrounds and with more balanced distribution across gender and age. Labor policies also affect demographics through their impact on marital and family relationships, as higher-paid workers are more likely to bring their families to the UAE or start one in the country than low-paid laborers are. The impact of labor policies on demographics of local population is significant too, most likely through their impact on female employment and costs of living, which subsequently affect local people's marriage patterns and fertility rates.

Overall speaking, labor policies that are committed to increasing workforce diversity, creation of a knowledge economy and greater labor participation among locals are expected to benefit the country's demography in the long term. However, labor policies are made in accordance to the logic of business and economy, not necessarily driven by demographic concerns, hence, may generate both intended and unintended consequences to demographics in reality.

In this research, we look at the connection between labor market conditions and policies and population indicators in the UAE. In particular, we look at migration to the UAE over the years and compare it to natural growth and discuss the case for demographic imbalances in the UAE population, and its types and causes. We also provide a general discussion of

the impact of labor policies on demographics with some reference to experiences from other countries, and discuss the possible effects of the new labor decrees in the UAE on labor and population figures.