



## **The *Kafala* System in Bahrain**

*by Khalil Buhazaa*

### ***A main cause of high unemployment among nationals***

**I**n May 2016, the Ministry of Labour and Social Development (MOLSD) released its most recent statistical report on unemployment in Bahrain. According to the data, 6,946 youth are unemployed and 3,881 of those, or 55 percent, hold university degrees. Women represent 90 percent of those unemployed university graduates.

These figures raise questions once again about the Bahraini government's ability to find sustainable solutions to the unemployment problem—particularly for university graduates. In 2009, the Ministry launched a BD 20 million

project designed to employ jobless university graduates. But the latest unemployment figures show that the project has been far from successful.

The MOLSD is not the only party responsible for high youth unemployment in Bahrain. The public sector has been oversaturated for years and is no longer able to accommodate any more graduates. As such, the private sector has to bear part of the national responsibility for youth unemployment. It should do more to accommodate unemployed graduates by relying on them instead of migrant workers, who make up more than 70 percent of the total workforce even as unemployment among young nationals is increasing.

### **Employment in numbers**

Employers have long argued that Gulf nationals are not suited to the needs of the labor market, either academically or in terms of previous practical experience. They have also argued that the available jobs are neither suitable for nationals nor in demand by them, as they are menial jobs mainly in sectors like construction.

But until as recently as the 1980s, the Bahraini government was able to easily accommodate the number of secondary school and university graduates at the newly-established government institutions. The public sector was therefore able to open its doors to migrant workers, mainly from South and East Asia, but also from other Arab countries. However, the state's "open door recruitment policy" began to slow down in the early 1990s, coinciding with rising unemployment rates in Bahrain.

The current total labor force in Bahrain is 754,863, and about 600,000, or 78.8 percent, are migrants. Although the majority of migrant workers are concentrated in the domestic service and construction sectors, a substantial number are still employed in intermediate- and senior-level posi-

tions, particularly in the banking, medical and other service sectors. According to the Social Insurance Organization, more than 36,000 migrant workers are paid between BD 400-2,000 a month, a salary range that precludes domestic service and construction workers.

Altogether, the unemployment rate in Bahrain ranges between 3.7 and 4 percent, and a large number of those unemployed hold university degrees. Unemployed university graduates are concentrated in disciplines like business administration (342 unemployed graduates), sociology (159 unemployed graduates) and engineering (IT, civil and architecture engineers total 170 unemployed graduates).

#### **The precariousness of migrant work**

The sponsorship system, known as *kafala* in Arabic, plays a major role in making national workers less in demand. Academic qualifications or work history are not the main reasons for refusing to employ Bahraini nationals. *Kafala*, a form of “modern slavery” according to the UN and the International Labour Organization, gives employers sweeping powers as it relates to migrant workers. This nullifies the migrant workers’ legal rights, and makes them inseparable from their employers.

*Kafala* also puts migrant workers in a weak negotiating position with employers. Many are forced to work for long hours without overtime wages, are paid lower wages than what is initially agreed upon and work regularly through weekends and official holidays. In addition, there are many obstacles should a migrant worker decide to change his or her work. Despite recent amendments to the *kafala* system in Bahrain, deportation and other risks are still a very real concern.

All of this means that employers prefer to hire migrant workers with limited rights over national workers who have far more bargaining power.

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The question of educational qualifications is thus a secondary one. Even if the quality of the national workforce is high, the precarious legal position of migrant workers makes them more in demand by employers.

#### **Abolish *Kafala***

The number of Bahraini university graduates is increasing over time, and they have the skills and training to enter the labor market, should they be afforded suitable opportunities. But first, the *kafala* system should be abolished. It precludes fair competition between nationals and migrant workers, and leads to many human rights violations.

At the same time, there are many deficiencies in Bahrain’s educational system that can be improved. This includes reinstating technical and vocational education projects that were dominant in Bahrain up until the 1980s. Doing so would encourage young secondary school graduates who are unable to enroll in university to enter a vocational program. In turn, these individuals can set up their own businesses or enter the labor market in a broader range of sectors, including the construction and service industries.

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