

# **Building an Industrial Relations System out of the Sand: The case of Dubai**

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Dubai has evolved from a sparsely populated desert region on the Arabian Gulf to a dynamic and fast growing city. The boom in construction and services is built upon a large immigrant labour force. The labour market is highly segregated firstly between local and expatriate workers, and secondly among the expatriate workers depending on whether they are categorised as professional, construction or service sector workers. Despite the rapid growth and manifestations of modernity in Dubai there are stories emerging concerning the violation of human rights particularly with respect to contracted migrant workers. Despite its rapid transformation Dubai does not have the institutions or infrastructure that support and protect fundamental labour standards and even where there are regulated migrant programs (as in Dubai), workers are potentially subject to exploitation. This paper examines the labour market and industrial relations system in Dubai and asks whether growth is compromised by promoting fundamental labour standards.

## **Dubai: Modernity in the Desert**

Welcome to a strange paradise. But where are you? Is this a new Margaret Atwood novel, Philip K Dick's unpublished sequel to Blade Runner or Donald Trump on acid? No. It is the Persian Gulf city-state of Dubai in 2010. After Shanghai (current population 15 million) Dubai (current population 1.5 million) is the planet's biggest building site: an emerging dreamworld of conspicuous consumption and what the locals boast as 'supreme lifestyles'. (Davis, 2006, 49)

Dubai includes a blossoming financial centre, regional headquarters for global brands, mega shopping malls, amusement parks, a world-class airline and airport, luxurious hotels that play host to 7 million tourists annually and the world's largest man-made islands. Alongside the amazing structures already in place and more to be built are a number of contradictions. Much of the inconsistency occurs due to the imbalance between locals and expatriates living and working in Dubai and in the United Arab Emirates (UAE). Although the focus of this paper is on Dubai it should be pointed out that it is just one of seven Emirates within the United Arab Emirates (although possibly the best known) the capital being Abu Dhabi. Some data presented in this paper is only available for the UAE in total. For example, with regard to the working population, the number of UAE nationals in the labour market at the end of 2007 was 11,233 (0.34 per cent of the total number of employees registered at the Ministry) as opposed to 3,250,000 foreign employees from 200 different countries (DLA Piper, 2008). These figures point to the level of dependence the UAE has on immigrant labour.

In a sense Dubai is a greenfield site where development has taken place at a breathtaking rate over a short period of time. This has arisen due to oil revenue, a base of few institutions and a rudimentary economy. Having experienced dramatic economic and social development the United Arab Emirates (UAE) is widely recognized as having a significant role to play within the global community of nations. Dubai in particular ranks as one of the world's leading trading centres offering a gateway to a market of more than one billion people. Its economy has nearly tripled in size, to \$34.5 billion, in just a decade and it has established trading links throughout the Gulf Cooperation Council (GCC) countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia) Iran and other neighbouring markets (Al Darwish, 2006).

The UAE labour market generates approximately 300,000 new jobs each year and there are not enough locals to fill them. That said, as a result of the abundant supply of workers who move to the UAE from neighbouring countries there now exists a broad two tier labour market. On the top tier are the nationals and below them foreign workers, and within the immigrant workforce construction and domestic workers at the lowest level of expatriate

worker. Construction or the 'ordinary labour' category worker receives the lowest average monthly wages of all occupational groups in the UAE (Tanmia, 2005).

While Dubai breaks a number of records for its large buildings and wealth, the same buildings are being created by expatriate labourers, many of whom are living in poverty. The main aim of most workers coming to Dubai was to be able to send money home. Construction or the 'ordinary labour' category worker receives the lowest average monthly wages of all occupational groups in the UAE (Tanmia, 2005). In fact Dubai construction workers went on strike on 11 March, 2007 as they allegedly had not received a pay rise for 18 years in some cases. 8,000 of the 45,000 employed by one construction company came from India, Pakistan, Bangladesh and Nepal. On wages as low as 550 AED per month (A\$216.25) they can hardly survive to keep themselves and with the poor exchange rate adding to their burdens, many are now going back home (7Days, 2005). These pay rates compare with the minimum wage for UAE nationals established in 2006 of 5000 AED (A\$1,916.27) for those with post secondary qualifications and 3000 AED for those with below secondary school qualifications. On top of this the rapid development of Dubai has come at a cost, within the construction sector alone it is estimated that the number of deaths from industrial accidents was 880 in 2005 (Jacob, 2008).

So what of the future for the immigrants and Dubai itself? The UAE labor law was developed in 1980. Since then the region has grown exponentially and, as a result, a new draft labor law was constructed in 2007. Since then Human Rights Watch (2007) have commented that the proposed labor law falls far short of international standards for workers' rights stating that the law should be revised to protect workers' rights to organize, bargain collectively and strike, and to cover excluded groups such as domestic workers.

The paper will explore issues relating to immigration in UAE, particularly in Dubai and the implications for employment relations. In particular the paper reflects on the development of an industrial relations system from a situation where there are no collective rights, no trade unions and a highly segregated labour market. The paper is organised as follows. The following section examines labour regulation in Dubai. The issue of labour camps and the position of immigrant workers in the construction sector is then discussed. Linked to the issue of labour camps is the role, status and regulation of recruitment agencies and agents. Following is a discussion of the open and dynamic system of industrial relations as outlined by Caspi and Kastiel (2006) and its application to Dubai. This leads in turn to a discussion of the links between labour regulation and economic growth. The paper concludes by reflecting on the implications of 'new' economies being slow to develop social infrastructure to support basic rights, particularly labour standards.

### **Labour Market and Employment Regulation in Dubai**

As noted in a 2007 workshop organised by the UAE Minister of State for Federal National Council Affairs (MSFNCA), the lack of robust labour market data is an obstacle to achieving consensus on problems and developing solutions for the region. However, according to 2001 estimates the service sector was said to be the largest sector in the UAE comprising 58 per cent of the labour force. Moreover, the region's largest human resource outsourcing company, announced that it has begun an aggressive expansion program, as a result of a continued surge in demand for blue-collar workers to service the UAE's expanding multi-sector economy. Recent statistics have revealed that the UAE's labour market posted a growth rate of 36.04 per cent during the period 2001-2005; a figure that has increased even further beyond 2005 (Dulsco HR Solutions, 2006). The service sector includes trade, restaurants, hotels, transport, storage, communication, finance, insurance, real estate, business services, community, social and personal services. In common with many other developing countries, the UAE pursued a

diversification strategy in order to reduce its dependence on oil. Although the quarrying, petroleum extraction and mining sector employs only 1.6 per cent of the labour force it still has primary importance in the region reflecting the sector's capital intensity (Al Abed and Hellyer, 2001).

Nonetheless, the booming UAE construction sector has not been able to avoid the impact of the financial crisis and global macroeconomic instability and there is some indication of slowing along with the decline of oil prices, the government's main revenue source, this is said to be a sign that the oil windfalls, although still massive, will reduce (King, 2008). Oil windfalls have been a major source for infrastructure funding as they have been re-invested in transport, energy and utilities projects which have fuelled the infrastructure boom in the emirates. It is predicted that growth rates will return in 2010 although they are not likely to match the rates of the previous years (King, 2008).

The Dubai labour market is dominated by migrant workers, estimated to account for 90 to 95 per cent of the workforce. At one extreme are professionals and expatriate workers filling positions in management, accounting, education, health, engineering and architecture. They are employed under contract and require an identity card and visa in order to obtain employment. At the other end of the social and economic spectrum are vast numbers of semi skilled workers in the construction, hospitality and domestic services industry. Many of these are contracted to recruiting agents and in the case of the construction sector are housed in labour camps (The Times, 2007). These workers have, in many cases, borrowed money and find themselves being held 'hostage' in labour camps as their passports are confiscated on arrival. Between repaying loans for relocation and deductions for living costs, such workers can find themselves destitute. Moreover, the recent fall in the US dollar has resulted in a decline in remittances and savings as the UAE Dirham is tied to the US dollar. As a result grievances have arisen in the past two years with a series of unofficial strikes and stop works, prompting the government to intervene and deport 'trouble makers' (The Times, 2007).

Dubai employment regulations, in common with its labour market, are segmented. First, there are regulations governing UAE nationals employed in the public sector. Second, there are regulations governing expatriate and other workers. Thirdly, there are regulations governing domestic service workers. It is a social pyramid system, with the local Emirates' on the top and non skilled or semi skilled (immigrants) at the bottom (Hardy 2007). There is a pro forma employment contract that is administered by the Federal Ministry of Labour and Social Affairs. Normal working hours are set at 48 per week, with Fridays being the designated day of rest. There are 10 days paid public holidays per year and leave accumulates at 30 days per year of service. Trade unions, strikes and lock outs are prohibited, and the Ministry acts as an adjudicator in any contract dispute.

Finding meaningful employment for UAE nationals led to the introduction of the Emiratisation policy, which imposes quotas on sectors such as banking and insurance to ensure that they employ local staff (Tanmia, 2005). The Emiratisation program seeks to give priority to local Emirate graduates to job vacancies in the public and private sectors. Suitable industries are identified for the Emiratisation program, currently there are quotas applying to the banking and insurance sectors regarding the annual recruitment of UAE nationals (DLA Piper, 2008). The Ministry of Labour also decreed from 2006 that all employers with over 50 employees should have UAE nationals as secretaries. Nonetheless, UAE nationals working for the private sector are entitled to the same pension and social security benefits that they would receive working for the public sector (UAE Government, 2007).

The regulations governing employment are extensive and cover the registration of expatriate workers and the content of the employment contract (Al Tanimi, 2007). There are minimum and maximum periods for the tenure of employment contracts. The regulations include extensive leave provisions, safety regulations, gratuity payments for the completion of the employment contract and the maintenance of employment records (Al Tanimi, 2007). In many ways the employment regulations cover those issues found in many other advanced economies. In areas such as recruitment and repatriation of immigrant workers there are clear responsibilities laid out for employers. Any disputes must be referred to the Ministry of Labour, the body responsible for the enforcement of the labour regulations.

However, as indicated the employment regulation system does not enshrine fundamental labour standards as it prohibits trade unions and collective bargaining, and strikes are illegal. The system is an administrative one where the government is responsible for enforcing labour regulations and mediating any disputes over such issues as wages and working conditions. The employment regulations set out the minimum conditions that must be contained in employment contracts. In turn employees must bargain directly with their employer over the terms and conditions of employment.

### **Labour Camps, Exploitation and Worker Unrest**

Behind the glitz and success of Dubai's rapid economic development there is another story of exploitation and forced labour. One news story referred to this as the 'dark side' of the Dubai story.

Jacob (2008) reported that there were allegations of human rights abuses and slave like conditions associated with the labour camps serving the construction industry. These were located in the desert, away from the modern apartment and hotel blocks, constructed from portable buildings where inmates have to endure extreme heat, overcrowding and oppressive living conditions. Many of the workers are from agricultural communities in the sub continent, recruited by agents who 'loan' the costs of travel and keep workers through confiscating passports (Verma, 2007). Francis (2007) reported that effectively many workers were taken as 'hostage' by construction contractors.

Additionally, workers require a certificate of release from their employer if they wish to change jobs; this reinforces the hold over immigrant workers by contractors. Many workers reported that they were unable to repay debts despite working long and arduous hours, and they were trapped into a life of being controlled by agents. Human Rights Watch reported that, in effect, these were slave camps where inmates were denied fundamental human rights (Human Rights News, 2007). Those labour standards that are present in Dubai for immigrant workers are difficult to enforce. For example, Hardy (2007) reports that there were only 240 labour inspectors. For the workers it was difficult to articulate grievances over pay, working conditions or safety standards since trade unions and strikes are illegal. Jacob (2008) went on to claim that there were over 100 suicides in the camps in 2007, to go along with the large number of deaths report from industrial accidents in the construction sector. In 2007 poor living and working conditions, and the non payment of wages contributed to growing labour unrest. There were a series of (illegal) strikes culminating in the deportation of some of the strikers (Verma, 2007). Unrest has continued into 2008 as the falling US dollar has depleted the value savings and remittances (Jacob, 2008).

In a report for the Indian state government of Kerala on the demand for and conditions associated with immigrant labour from Kerala in Dubai, Zachariah, Prakash and Rajan (2002) reported that (p.3):

The majority of the Kerala emigrants work for more than 8 hours per day; and more than one tenth work for about 10 to 14 hours per day. The major problems faced by several Kerala emigrants in the UAE are non-payment of salaries, denial of wages and non-wage benefits stipulated in their work contracts, refusal to release passport and non-payment of air-ticket fare for return to Kerala. Nearly one-third of the Kerala emigrants live in worker camps and in the majority of cases, the number of persons per room range from four to six. The survey found that 36 percent of the emigrants had a monthly savings of less than 500 Dirhams (A\$192.00) and another 37 percent monthly savings of 500 to 1000 Dirhams (A\$192.00 to A\$380).

One of the major problems identified in the report was that workers were forced to agree to new contracts once they had arrived in the UAE. The terms and conditions of employment they were promised by recruitment agencies in India were rarely met, on arrival and with the passports handed over, they were forced to sign agreements that paid lower wages and provided for fewer non wage conditions. Effectively they had the contracts renegotiated from a position of extreme vulnerability. It has also been reported that some of the workers cannot read so were relying on trust when the agents told them the conditions they would work and live under in Dubai. So it seems that many workers are part of a huge scam that is helping the construction boom in the Gulf. It has been reported that hundreds of thousands of migrant workers, each paid more than A\$2,000 to employment agents in India and Pakistan and were promised double the wages they are actually getting, plus plane tickets to visit their families once a year, but found when they arrived (some after selling land or taking out large loans) that they are treated little better than cattle, with no access to healthcare and many other basic rights. The company that sponsors them not only holds on to their passports but also a month or two of their wages to make sure that they keep working (Abdul-Ahad, 2008).

In the construction sector the workers are segregated from the rest of the community and lead a life that revolves around working long hours under difficult conditions and commuting to labour camps. They are denied any form of voice at the workplace, have no citizenship rights and are highly dependent on contractors and employment agents, many of whom have various forms of control over workers such as loans or passports.

### **Labour Agents: the Problem of Regulation**

Labour immigration has been an integral part of the Dubai success story. However, nearly all immigration to Dubai is short term and transitory, limited to specific employment contracts. It is estimated that more than half of all labour migration is short term (Baruah, 2006). Such immigrants are denied citizenship rights that are available to the local population. The recruitment and management of the immigrant workforce is through employment agents. In the main most of these agents are in the private sector and are licensed in the country of recruitment. The complaints of the construction workers in Dubai are directed against the employment agencies and the contractors to whom they supply labour services. Charges include misrepresentation of conditions, non payment of wages and withholding of passports. A study of Philippino contract emigrants found that the complaints against recruitment agents included excessive fees, non compliance with agreed employment contract conditions, contract substitution after arriving at the country of employment and disappearance after the collection of recruitment fees (Baruah, 2006).

There has been a world wide expansion in the employment services industry, spearheaded by the growth in labour hire agencies. Such agencies perform an array of HRM duties from recruitment to training and payroll (Burgess and Connell, 2004). They have grown steadily in OECD economies and are subject to different degrees of national regulation (Burgess and Connell, 2004). With respect to labour migration from developing countries there has always

been a largely informal network of agents selling and buying immigrant labour services. These networks cover illegal activities and illegal immigration and the legal movement of labour for short periods between countries. In Dubai the use of migrant labour is subject to direct regulation, however, the agents involved in the hiring process are located in Dubai, the home country of the immigrant labour or elsewhere. In this case it is very difficult for national governments to effectively regulate the complex web of agency and intermediation that applies to the provision of labour services.

In recognition of the growth of employment agencies and their importance in many labour markets, the ILO developed new labour standards in 1994. Convention No. 181 includes articles that cover the protection of workers recruited by agencies. These cover fundamental rights at work such as freedom of association and the right to collective bargaining, equality of opportunity and the banning of child labour. Gavel (2006) notes that special protection to migrant workers is laid down in Article 8, which provides that:

Members should seek adequate protection for and prevent abuses of migrant workers recruited or placed in its territory by private employment agencies. These shall include laws or regulations which provide for penalties, including prohibition of those private employment agencies that engage in fraudulent practices and abuses.

The report on Kerala emigrant labour (Zacharia et al 2004) noted the ongoing attempt to regulate employment agencies in Kerala who were responsible for the recruitment of workers to the Middle East. This included an ongoing system of registration and reporting requirements. However, in the case of international labour flows there may be several intermediaries involved and national regulations have limited application. Any effective regulation would involve action in both the host and the home country; indeed the ILO has called for greater international co operation in regulating short term labour placements, especially those involving intermediaries (Gavel, 2006). However, it is clear that the country of employment is in the best position to regulate employment conditions.

### **The Open and Dynamic Model of Industrial Relations**

Caspi and Kastiel (2006) developed what they term the open and dynamic model of industrial relations to analyse industrial relations systems in the Middle East. Central to the model is the idea:

[T]he open system continuously interrelates with its surroundings, affects them and, most importantly is influenced by elements in the external environment. Within the open system, there is a process of change that radiates to the surroundings and affects the other linked system. The output of these systems and sub systems, in turn, influences the open system (Caspi and Kastiel, 2006, 107).

The open and dynamic model highlights the influence of external factors and change within the industrial relations system. The key elements of this scheme are:

- a. external factors: ruling ideology, social cohesion; tolerance; socio economic conditions; legal structure; economic conditions; the media; standard of living
- b. internal factors: trade unions, employer associations, government
- c. industrial relations processes: collective bargaining; agreement making; agreement regulation; dispute resolution
- d. output: working conditions; wages; productivity; employment security; legitimisation

Components b. to c. are standard components of the discussion and analysis of the industrial relations system. There are similarities to the Dunlopian system of actors, rules and

regulations and outputs (Michelson, 2008). The external factors (a) have an impact on internal factors, and in terms of a dynamic feedback process can in turn be affected by the other components of the system. Within the model Capi and Kastiel (2006) highlight how the government's involvement in the labour market will influence the ability of the other participants to achieve their objectives in terms of outputs.

**The Open and Dynamic System of Industrial Relations**

<b>Internal and External Factors</b>	<b>Processes</b>	<b>Output</b>
<b>External Factors</b> <ul style="list-style-type: none"> <li>• Socio-economic characteristics/cohesion</li> <li>• Standard of living</li> <li>• Quality of Life</li> <li>• The Media</li> <li>• Economic conditions</li> <li>• Political system</li> <li>• Ruling ideology</li> <li>• Economic structure</li> <li>• Legal structure</li> <li>• technology</li> </ul> <b>Internal Factors</b> <ul style="list-style-type: none"> <li>• Trade Unions</li> <li>• Employer organisations</li> <li>• Government involvement</li> </ul>	<ul style="list-style-type: none"> <li>• Collective bargaining</li> <li>• Collective agreements</li> <li>• Implementation of agreements</li> <li>• Conflict resolution</li> </ul>	<b>Employees</b> <ul style="list-style-type: none"> <li>• Working conditions</li> <li>• Compensation</li> <li>• Employment security</li> </ul> <b>Employers</b> <ul style="list-style-type: none"> <li>• Productivity, efficiency</li> <li>• Compensation</li> </ul> <b>Government</b> <ul style="list-style-type: none"> <li>• Legitimation</li> <li>• Policy support</li> </ul>

Source; Caspi and Kastiel (2006, 108)

Caspi and Kastiel (2006) then use this analytical framework to review the industrial relations systems in a number of Middle Eastern countries. Of the countries they review Saudi Arabia comes closest to the model of Dubai. Here there was a rapid economic development following the discovery of oil, starting from a base of traditional agriculture and trading with a largely unskilled population. To meet the needs of rapid economic development the skills and workforce shortages was met by contract immigrant labour. However, by the late 1990s the foreign workforce share of the workforce was around 60%, well below the 90% plus in Dubai. In Saudi Arabia the government completely regulated the industrial relations system. As in Dubai there are no trade unions, collective bargaining is prohibited, strikes are illegal and employers set wages. These are features shared by the Gulf States, with the rationale for the model of industrial relations being that it is best suited to the traditional form of society (Caspi and Kastiel, 2006, 119). In Saudi Arabia there were, however, tentative steps towards the recognition of employee voice with the official validation of employee committees in companies that employed more than 100 Saudi nationals.

One of the major observations of Caspi and Kastiel (2006) is that external factors play a large role in shaping the industrial relations system. In particular they claim that democracy and civil society go hand in hand. 'The essential characteristics of civil society are its structures of

voluntary association, networks of public communication and norms of community cooperation' (p. 106). With a strong civil society democratic institutions are allowed to develop. Where structures of civil society are weak and democratic structures poorly developed, then the industrial relations system will exclude forms of voice and collective participation, processes will be rigidly prescribed and outputs skewed towards employers and government. An important external factor in the UAE is the dependence on immigrant workers who are excluded from civil institutions. In turn, without civic and democratic institutions it is not surprising that there are few labour rights and core labour standards are not available for all workers. However, it could be argued that this enhances labour flexibility and, as such, facilitates the impressive growth record observed in Dubai.

### **Collectivisation, Rights and Voice: Incompatible with Economic Growth?**

There is a strong argument that labour flexibility is necessary for promoting economic growth, and multilateral agencies such as the World Bank, have regularly advised government to enhance labour market flexibility for the purposes of improving competitive position (World Bank, 2004). However, at issue is whether there is an association with labour flexibility and growth, and whether this in turn suggests that all labour regulations impair development prospects. There is another side to the argument, implied in the open and dynamic model of industrial relations, that socio economic conditions can develop industrial relations institutions and in turn affect economic performance. The contrary argument is that participatory processes associated with democratic and civic institutions are an important component of the development process (Stiglitz, 2002).

Dubai has a highly rudimentary system of labour regulation that does not support core labour standards. It could be argued that such standards are not necessary in a country that clearly has had an impressive growth record for the past two decades. Also, the growth in Dubai has outpaced the development of institutions, especially civil institutions that support an industrial relations system. The experience of immigrant workers in the construction sector demonstrates what can happen where labour is indentured and contracted without rights and without any voice. The experience in Dubai goes to the heart of the debate over globalisation and labour market flexibility (Lee and Eyraud, 2008). In the absence of core labour rights Dubai has achieved remarkable growth rates over the past decade. However, Dubai also illustrates what happens in the absence of limited labour regulations. First, informal, non standard and contract labour are extensive – in a deregulated context there remains a strong tendency towards irregular and insecure forms of employment. Second, the OH&S record in the construction sector indicates an absence of safety regulations or at least the light enforcement of safety regulations. Third, the deregulated context results in very large disparities by occupations and ethnicity – classic forms of labour market segregation emerge.

Dubai does not meet fundamental labour standards – the right to join a trade union, the right to collectively bargain and the absence of forced or compulsory labour. Once again, there are arguments that such conditions are not 'suitable' for certain countries or that such implementation would compromise growth and living standards. Not surprisingly an absence of labour rights is also associated with an absence of political and civil rights. In a study between the link between political and civil rights Kucera (2008) found that there was a direction association between trade union rights, democracy and export performance, despite the finding that there was also a link between trade union rights and labour costs. How can these be explained? Kucera (2008) suggests that strong civil rights strengthens economic and social stability, in turn this positively impacts on trade performance. He also cites cross country evidence that suggests that democratic and civil rights are able to stabilise economic performance and better deal with economic shocks.



## **Conclusions**

Dubai, home to the world's glitziest buildings, man-made islands and mega-malls has progressed hugely economically in the past 10 years, but socially has stayed behind with labour conditions said to be similar to those of America in the 19th century – a situation which is not acceptable in the 21st century (Abhul-Ahad, 2008).

The ILO (2006) stipulates that although there are many benefits of globalisation there has also been devaluation in the dignity of work. This appears to be the case for many workers, particularly those in the construction sector in Dubai. The absence of core labour rights for these workers, their lack of voice, sub-standard living conditions, pay and violation of basic human rights leaves them powerless to earn a decent living wage and live with dignity. Despite the decision to consider the introduction of a construction union in 2007 this has not yet occurred. If the UAE does opt to allow unions it is surmised that it will be in the hope that the move will prevent repeats of the strikes that focused international attention on the state of the Emirates' labour laws.

As stated previously when a strong civil society exists then democratic institutions are allowed to develop but where they are weak and democratic structures poorly developed, then the industrial relations system will exclude forms of voice and collective participation, processes will be rigidly prescribed and outputs skewed towards employers and government. An important external factor in the UAE is the dependence on immigrant workers who are excluded from civil institutions. Other factors are identified in the Caspi and Kastiel (2006) open and dynamic model of industrial relations, particularly in the case of Dubai, the role of the media which is heavily censored by the government. Hence, it would not be able to support or report on worker conditions unless approved previously by the government.

In summary, it is argued that there is a key role in the UAE for improved labour regulation. There appears to be an emerging labour code that indicates positive improvement where public policy is directed at developing policies for the optimal organization of the workforce. This includes determining minimum standards for the work environment, in terms of health and safety and living standards along with inspection and monitoring systems that safeguard the rights of all parties (UAE Government Strategy, 2007).

Moreover, in 2007 the Ministry of Labour released a report that highlighted respect for labour rights and the need to meet challenges being posed by the economic boom and demographic structural changes occurring in Dubai. The report stated 'the UAE believes human beings have a right to decent living conditions and broad safety standards as well'. Further it acknowledged that there is much more to be done to expand the capacity to enforce labour laws and fully protect the rights of workers in the country. So while the current situation is not ideal, the spotlight on the UAE in terms of human rights and expatriate labour, along with an apparent desire to improve working and living conditions is a step in the right direction. With such a large and culturally diverse workforce and the continuing (if slightly slowing) economy in Dubai this is an issue that requires ongoing monitoring and attention before any real improvements are evident. An aim of this paper was to examine the labour market and industrial relations system in Dubai and determine whether growth may be compromised by promoting fundamental labour standards. The authors argue that over time if the changes that are labour reforms continue and are implemented it may be seen that economic growth and a fair and just system for all workers can indeed be compatible rather than comprised with economic growth in Dubai.

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