‘Nitaqat’ Law: Labor Market Reforms in KSA and its Impact

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(Received: 29/11/2016; Accepted: 24/05/2017)

Abstract
Purpose of international migration is to transfer skilled resources from less opportunistic region to a more opportunistic region. Labour as the factor of production is always considered less mobile and less predictable even in the ideal conditions. The research paper evaluates migratory trend that originates with oil exploration in the gulf regions and contribution by expatriates in the economy. Expatriates are not only provides unskilled labor but should be given credit for present day progressive education system and developed infrastructure. The same expatriates are now been questioned and their status has been redefined under the new challenges faced by the Kingdom of Saudi Arabia and gulf countries in which educated young Arabs are facing unemployment and Arab society in itself going through radical changes due to more informed and expressive young Arabs. Recent implementation of Saudi Arabian Law ‘Nitaqat’ is responsible for expulsion of lakhs of illegal expatriates to their native countries; the law is aiming to regularize the job market and wants to stop the illegal unaccounted population of poor unskilled labor into Saudi Arabia. The law also responsible for reforms in private sector where many incidence of exploitation are been regularly reported. The research paper deeply studies the impact of expulsion of expatriates over the Saudi Arabian economy and also evaluates policies of promoting and developing young generation with an aim to replace remaining expatriates from the present positions.

Keywords: Labor Mobility, Unemployment, Labor Discrimination, Labor Policy, Immigrant Workers, Immigrant Worker Policy

JEL Classification: J610, J680, J710, J82

Paper Classification: View Point