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LOCALIZATION OF HUMAN RESOURCES IN THE STATE OF QATAR: EMERGING ISSUES AND RESEARCH AGENDA

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Abstract

Purpose – This paper provides an overview of the concept of ‘localization’ of human resources in Qatar. Relative to the rest of the Gulf Cooperation Council Countries, economic development began late in Qatar due to political and economic factors such as the influx of an immigrant labour force and changes in the education system. Now, with one of the fastest growing economies in the world, and the highest per capita income, Qatar has vigorously embraced rapid economic expansion. However, in a small country awash with natural resources, and with a population engulfed by expatriates, the issue of “localization” is a pressing economic and social issue.

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Keywords Qatarization, localization, work force, expatriate, Qatar

Paper type Literature review
Introduction

The increase in the globalization of business has led to a rise in two somewhat opposing human capital movements. The first reason is a rising incidence of expatriate workers (KPMG, 2004; Metcalfe, 2007), and the second is the phenomenon of human resources localization (Al Lamki, 1997; Godwin, 2006; Harry, 2007; Lee, 2005).

Human resources localization can be described as the replacement of home-country nationals (HCNs) with qualified locals. According to Bhanugopan and Fish (2007), “…‘localization’ is a process in which local officers increase their competencies, and consequently improve their performance, the main objective being to train and develop locals to enable them to replace expatriates with competency and efficiency” (p. 366).

The localization of human resources has increased in prevalence over the past 30 years, particularly in the Middle East (Al-Dosary, 2005; Looney, 2004; Rees, Mamman, & Braik, 2007), and has been at the forefront of many business initiatives. It is a significant staffing consideration for transnational businesses entering or operating in this particular region of the world (Looney, 2004; Mellahi, 2007; Rees et al., 2007).

Changes to government policy and legislation have further complicated staffing in the GCCC (Mellahi, 2007; Rees et al., 2007). The increasing use of quotas and protection from termination for national staff and other techniques to enhance the participation of nationals in the workforce have changed the human resources landscape. In fact, as a result of such changes to legislation, it has become increasingly unlikely for a large organization to establish itself in the GCCC without addressing the localization of human resources.
While anecdotal records and literature on localization exist in most GCCC states—particularly in the Kingdom of Saudi Arabia (KSA), Kuwait, Oman, and the United Arab Emirates—it is nevertheless argued by Forstenlechner (2010), Mellahi (2007), Metcalfe, (2007) and Rees et al. (2007) that there is an underrepresentation of scholarly literature on localization programs. The difficulty of finding reliable data and conducting research in the region may be contributing factors to this deficit (Forstenlechner & Rutledge, 2010; Harry, 2007), a notion supported by Cordsman (2002) and Harry (2007: 134), who suggests that those “…who try to conduct research in the region have found it very difficult to gain access to reliable empirical information or statistical data” (p. 134).

While the localization of human resources does occur in many overseas locations with varying degrees of success (Al Lamki, 1997; Bhanugopan & Fish; 2006 Godwin, 2006; Harry, 2007; Lee, 2005), the expatriation of human resources tends to receive the most attention from researchers and practitioners due to its stronger prevalence and importance to parent companies. Factors surrounding expatriation—including the benefits and challenges of expatriate life, issues around repatriation, and the actual benefits provided to expatriate workers in situ—have been reviewed extensively (Bhanugopan & Fish, 2007; Brown, 2008; Haslberger & Brewster, 2008; Hocking et al., 2007; van der Heijden, van Engen, & Paauwe, 2009). Indeed, expatriates are likely to receive continued attention as the increase in globalization and the ensuing demand for expatriate workers continues to rise.

Nevertheless, expatriation alone is not necessarily the most suitable staffing strategy for a business operating in foreign locations. This is reflected in the fact that many expatriates face career and adjustment challenges (Benson et al., 2008; Bhanugopan & Fish, 2008; Haslberger, 2008; van der Heijden et al., 2009); the costs associated with this phenomenon are usually very
high, and new staffing strategies are being called for (Colakoglu & Caligiuri, 2008; Law et al., 2010). While the many challenges surrounding expatriation are outside the scope of this paper, the importance of the increasing practice of localization and its impact on GCC countries—the state of Qatar in particular—is the focus of this paper.

The State of Qatar: A Profile

Qatar, a small country on the Arabian Peninsula, is one of the world’s wealthiest nations. With an indigenous population of 250,000 people (Qatar Statistics, 2010), it boasts the highest per capita income in the world at US$80,000 per annum, placing it first among industrialized nations in terms of income (United Nations Statistics Division, 2009). With a total of 15% of the world’s proven gas reserves, this small country also boasts the third-largest oil and gas reserves in the world (BBC Country Factbook, 2010). Furthermore, as with the other GCC countries, Qatar is a Muslim nation. Somewhat removed from the sphere of tension in the Middle East, Qatar enjoys a relatively peaceful history. The nation has a homogenous and permanent population—although recent immigration has changed this to a certain extent—and rising economic prosperity has helped contribute to the nation’s continued stability (Kamrava, 2009).

Qatar is a significant Emirate in the Gulf region for several reasons. Like most of the Gulf countries, it has a constitutional monarchy, with the Emir acting as the head of state. However, the Qatari constitution does have provisions for democracy, and she has started to implement elections for some government posts. The political structure is oriented around the Emir and a 45-member advisory council. The Emir has the power to ratify laws, while the advisory council is able to draft laws (Qatar Constitution, 2004). According to the constitution,
15 members of the council are appointed, while the other 30 are elected. However, this has never been implemented and, thus far, no elections have been held (Kamrava, 2009).

Qatar is also a staunch ally of the United States, and served as a launching point for the second Gulf war (dubbed *Operation Iraqi Freedom* by the US Government). The largest US military base in the Middle East is located in Qatar, less than 20 kilometers (13 miles) from downtown Doha, the nation’s capital.

**Changing Socio-Economic Milieu in Qatar**

Prior to the discovery of oil and the exploitation of liquid natural gas (LNG), Qatar’s economy was based on pearl diving. At the current rate of use, Qatar has approximately 70 years of reserves left (International Monetary Fund, 2010). However, it was the discovery and exploitation of the North Field and its plentiful natural gas that has provided the strongest economic growth. This exploitation, coupled with plentiful foreign investment, has enabled Qatar to become the world’s largest producer of LNG (International Monetary Fund, 2010).

Qatar has also expanded rapidly since the discovery of large deposits of natural gas, and is now ranked as one of the world’s fastest-growing economies, with a predicted GDP increase of 18.5% in 2010 and 14.3% in 2011 (International Monetary Fund, 2010). This has allowed Qatar to rapidly increase its wealth in the past 15 years (Qatar Statistical Authority, 2010). In 2004, Qatar’s GDP was US$115 million, but by 2009 it had increased by more than 100%, to US$254 million. Rapid leaps in Qatar’s GDP reached peaks in 2007 and 2008 of 26.8% and 25.4%, respectively (Qatar Statistical Authority, 2010).

Much of this rapid growth is due to the massive investments in natural gas from outside partners. Qatar has rapidly expanded its resource extraction through foreign investment, which is
rare in the GCC (Reed & Tuttle, 2010). Foreign investments by large oil and gas firms including ExxonMobil, Shell, Gulf, and Total account for over $100 billion and are expected to rise by another $120 billion within the next decade (Reed & Tuttle, 2010). Further, the country’s wealth is being channeled into building a strong infrastructure. Major projects include the Qatar Foundation for Education and large-scale science and technology projects.

Significant commitments are also made to Qatari nationals at the local level. Qatari nationals are endowed with a generous citizenship package that includes free education and healthcare for all Qatari nationals. Qatari citizens are also exempt from paying for water or utilities, a right enshrined in the Qatari constitution. Nationals are also eligible to receive free land and interest-free loans of up to US$233,000 for the construction of a house (Kamrava, 2009). Generous employment packages are also prevalent in the public sector, in line with many other GCC countries (Forstenlechner & Rutledge, 2010; Harry, 2009; Rees et al., 2007).

The Impact of Population Growth

Despite Qatar’s small population of nationals, the official population of the country is over 1.6 million people (Qatar Statistics, E-Census Registry, 2010); the country’s ratio of expatriates to nationals is one of the most imbalanced populations in the world, and most certainly within the GCC. According to the 2010 census, nationals only make up 13-15% of the Qatari population (Qatar Statistics, E-Census Registry, 2010). The population has quadrupled since 1990, when the census estimated the population at 422,834 (Qatar Statistics, E-Census Registry, 2010). The population had grown to approximately 616,000 by 2000 (Qatar Statistics, E-Census Registry, 2010), and doubled by 2007, when the population was estimated at 1,226,000 people (Qatar Statistics, E-Census Registry, 2010). This unprecedented growth has placed a
significant burden on many facets of Qatari society. According to the Qatar Statistics 2009 census, roughly 90% of the households in the Doha area in 2010 belong to non-Qatari members of the population (Qatar Statistical Authority, 2010).

There has also been a disproportionate growth in the male population compared to the female population. In 1990, only 138,000 of the national population of 422,834 (32%) was female. By 2001 the number had increased to 34%, or 223,000. However, by 2007 this trend had shifted dramatically; the 2007 census indicated a population of 1.2 million, of which only 300,000 (29%) were female. As of 2010 the population had increased to 1.6 million, of which 1.27 million were male, while only 400,000 (25%) were female. It would appear that the proportion of women has decreased consistently since 1990, albeit only slightly (Qatar Statistics, E-Census Registry, 2010).

The reason for the increase in the number of Qatari nationals is a strong birth rate and a declining infant mortality rate. However, national growth alone does not account for the population boom in Qatar; the massive increase in the Qatari population is indicative of the country's reliance on expatriate labor. The large influx of foreign workers into Qatar has further skewed the gender imbalance; currently, males comprise almost 75% of the population (Qatar Statistics, E-Census Registry, 2010). This has also impacted the age demographics of the country, making it “younger” than many of its neighbors. Approximately 80% of the population falls into the 18–64 age bracket, while Saudi Arabia, for example, only has 60% in that age bracket (Qatar Statistics, E-Census Registry, 2010).
Labor Force Participation and Employment

There are several challenges that Qatar faces in terms of its labor force. Like much of the GCC, Qatar has a high number of nationals employed in the public sector, leaving the private sector relatively devoid of nationals. An extremely high dependence on expatriate workers and an education system that is not comprehensively in line with labor market needs (Karoly et al., 2008) represent troubling trends. The rapid increase in the wealth of the GCC since the 1970s continues to be a major reason for the influx of foreign labor into the region and the resultant population imbalances (Al-Waqfi & Forstenlechner, 2010; Madhi & Barrientos, 2003; Mellahi et al., 2000). Nevertheless, along with the increase in foreign revenue, the desire to invest in and build infrastructure for the region has increased. The challenge, though, has been the relatively small population, which possesses only limited skill sets, and is highly selective of its role in infrastructure development (Al-Waqfi & Forstenlechner, 2010; Mellahi & Al-Hinai, 2000). This has contributed in no small way to the current liberal rules around the importation of foreign workers (Al-Waqfi & Forstenlechner, 2010; Kapiszewski, 2007).

The influx of labor has been perceived as something that would likely disappear over time (Shaham, 2009). However, the planned increases in infrastructure and in service jobs not readily filled by nationals (Rees et al., 2007; Al-Waqfi & Forstenlechner, 2010), coupled with liberal employment policies regarding labor importation, have facilitated the labor and population imbalances seen today.

Combined, these issues could present significant challenges to the small nation in the future. Unlike many other Gulf states, Qatar has an extremely low unemployment rate for nationals. The unemployment rate has decreased dramatically since 2001, from approximately 4% to 0.3% in 2009. The total number of unemployed nationals in 2009 was only 4,000 (Qatar
Statistics, 2009), which would indicate rising employment across all sectors of the labor force. However, it is important to note that Qatari nationals only make up 8% of the national workforce and only 1% of the private sector (Permanent Population Committee Report, 2009). This trend of decreasing unemployment is not consistent with the rest of the GCC, where unemployment among young, educated nationals has been a growing concern (Forstenlechner, 2010; Harry, 2007).

Although education appears to be a challenge in much of the GCC, contrary to the claims of Karoly et al. (2008), this does not appear to be the case in Qatar, at least from the results of the 2009 Labour Force Survey. Seventy-two percent of unemployed nationals have secondary-level education or higher (Qatar Statistics, 2009). Thus, a lack of education does not appear to be a contributing factor to unemployment in Qatar. Over 64% of the unemployed cite minimal job opportunities or a lack of suitable work as the main reasons for unemployment (Qatar Statistics, 2009). However, in line with the work of Forstenlechner and Rutledge (2010), Harry (2007), and Rees et al. (2007), the type of education may be more important than the level of education. Education that is market-driven and based on the requirements of the employer, rather than what is traditionally offered to nationals (such as cultural studies), is vital for integration. Perhaps more telling is the fact that 96% of Qataris report that they have not been offered a private sector job (Qatar Statistics, 2009). However, in a departure from other studies on nationals’ attitudes toward private sector employment (Al-Lamki, 1998; Harry, 2007; Rees et al., 2007), almost 50% of Qataris indicate that they would be willing to take a private sector position if offered one (Qatar Statistics Labour Force Survey, 2009). The other 50% indicate that they would not be willing to take a job in the private sector due to the perception of lower wages and, perhaps most interestingly, the low social status associated with such jobs (Qatar Statistics Labour Force
This supports the current literature on the perceptions of work, status, and employment in much of the Gulf (Achoui, 2009; Harry, 2007; Forstenlechner & Rutledge, 2010; Radwan et al., 1995). Essentially, it is preferable among Qataris to remain unemployed than to take up undesirable employment in the private sector, where positions have traditionally been looked at as low status and low paying, and are generally avoided by nationals.

Like the rest of the GCC, the cultural distaste for low status jobs is also prevalent in Qatar, where there are rising career aspirations among young Qataris (Stasz et al., 2007). As Harry (2007) points out, the rise in the domestic labor force in low status positions, such as maids and drivers, is an increasing trend in the GCC, and there is evidence that this may also be the case in Qatar. Between 2008 and 2009, the number of non-Qatari females in the workforce with domestic positions increased from 58.6% to 60% in 2009 (Qatar Statistics Labour Force Survey, 2009).

One of the largest changes in Qatar’s employment situation is in the employment of Qatari women. In 2001, they represented the highest number of unemployed in the nation, with an unemployment rate of approximately 22%. Only eight years later, this number had declined to 1.9%, and in 2009 only 2,400 females were unemployed (Qatar Statistics Labour Force Survey, 2009). This can likely be explained by the increase in female role models in Qatar and a subsequent rise in workforce participation.

This change is in direct contrast with the rest of the GCC, where the female sector of the workforce is completely underrepresented (Metcalfe, 2007). For example, female Emiratis account for less than 12% of the United Arab Emirates (UAE) workforce (Randaree, 2009). Ironically, women generally attain a higher education level than men in the GCC; for example, over two-thirds of university graduates in the Emirates are women (Randaree, 2009). This may
be the result of cultural factors, as women are traditionally placed in roles such as teaching or clerical work, where they are not exposed to mature males.

This may also be attributed in part to the “equal pay for equal work” indicated in the Qatari constitution that was passed by 92% of the public in 2004 (BBC News, 2004). It is important to note that the unemployment rate for young Qataris (between 20–24 years of age, for example) is higher than for more mature Qataris. However, while the unemployment rates show the data on those searching for employment, the labor force numbers show that the actual numbers and percentages of those employed in the labor force are perhaps more salient.

The rapid growth during the past decade has, to a significant extent, relied on expatriate labor. Highly-skilled, Western-trained managers hold key positions in the oil and gas sector and in education, while low-skilled immigrant workers from the Asian sub-continent have taken more menial positions (Berrebi et al., 2009). Both types have fueled the rapid growth and now, much like the rest of the GCC, Qatar is in a position where it is becoming increasingly necessary to balance (localize) the workforce in order to avoid an excess reliance on foreign nationals for safety and cultural reasons (Berrebi et al., 2009). A technical workforce engaged in sensitive oil and gas procedures is an essential component of the economy in Qatar. It is necessary for the sustainability of these types of enterprises that Nationals be engaged and competent technical operators. This can be said to be true in many other critical areas ranging from banking and finance to key administration roles that require highly specialized skills. Currently, many of these positions are occupied by expatriates. In addition, the national culture is at risk due to the massive influx of foreign cultures. The minority national population experiences constant exposure to different cultural practices. According to Rees et al (2007) the way that countries in
the GCC deal with large expatriate populations and localization issues will to a large extent
determine their survival in their present form.

Higher Education, Skills, and Work-Based Learning

Forstenlechner & Rutledge (2010) indicate that “Qatar and the UAE are in the process of
transforming their respective education sectors and both are placing far greater emphasis on
English instruction and vocational subjects such as mathematics and the sciences” (p. 40). Prior
to the discovery of oil and natural gas, Qatar’s education system was not effective. According to
the 1970 census, 65% of the population over the age of 15 was illiterate (Berrebi et al., 2009).
With the dawn of OPEC and the beginning of oil and gas exploration in Qatar, however, the
1970s was an era where there were some attempts to address the low levels of educational
attainment by Qatari nationals. As a part of this response, Qatar University opened in 1977 to
provide a national source of post-secondary education success. However, due to declining oil
revenues, this endeavor has suffered from financial setbacks, likely impacting its success
(Berrebi et al., 2009). Due to the rapid increase in wealth from LNG and oil in the last decade,
however, the country has again endeavored to invest more heavily in education.

Like many countries undergoing the process of nationalization, Qatar has identified the
need for a strong educational background if it is to ensure the participation of nationals in the
workforce (Al-Dosary et al., 2006; Stasz et al., 2007). Education is a key factor in the successful
implementation of localization policies (Al-Dosary et al., 2006), and government expenditure on
education, and particularly expenditure in relation to its GDP, reflects the nation’s commitment
to education (Jolo, unpublished). The government of Qatar allocated $5.4 billion to education in
the 2008/09 budget, approximately 20% of government spending for the year. This amount has
increased consistently over the past six years, to more than 50 times higher than its original levels (Oxford Business Group Country Report, 2010). However, it should also be noted that the economy has grown dramatically, albeit not as quickly. This rapid growth is evident in the massive infrastructure projects in “Education City,” as well as in the investments made in the College of the North Atlantic-Qatar and the University of Calgary-Qatar. However, Qatar’s per capita and per student contribution to education is still relatively low. In fact, countries with comparable GDPs invest almost twice as much in education on average (Berrebi et al., 2009).

The Qatar Foundation for Education, Science, and Community Development (Qatar Foundation), established by the Emir in 1995 to educate the national population and fix negative social phenomena in the community and help low-income families (Kamrava, 2009; Reed & Tuttle, 2010), is a key component of this transformation. A progressive endeavor run by the Emir’s wife, Sheikha Moza bint Nasser Al Missned (Kamrava, 2009; Reed & Tuttle, 2010), the Foundation provides both education and research and is home to the Doha Debates. Qatar has leveraged its relations with the United States to forge partnerships with six American institutions of higher education: Virginia Commonwealth University, Weil Cornell Medical College, Texas A&M University, Carnegie Mellon University, the Georgetown University School of Foreign Service, and Northwestern University. Although the precise number of students is difficult to specify, according to the Qatar Foundation website, 46% of the students at these schools are Qatari nationals. According to Ibnouf, there are 1,347 students attending classes at Education City as of 2010 (personal email, 2010). However, the number of nationals attending is not available; thus, it is difficult to compare the number of nationals and expatriates receiving an education at prestigious institutions. This lack of transparency is in line with the experiences of other researchers in the region.
Despite these expenditures and the high career and pay expectations among nationals, there has been no significant success in attaining the high degree of education needed to accomplish Qatarization plans. Educational attainment in Qatar is still not as high as it is in some other Gulf states. Participation in post-secondary education in Qatar was estimated at 16% in 2008, compared to 32% in Bahrain (Karoly, 2010). Perhaps of even more interest is the low participation rate among males in Qatar. Although older Qatari men are more educated than their female counterparts, this is true only for those above age 40, and the inverse is true for younger Qatari (Berrebi et al., 2009).

While women have continued to increase their educational attainment past high school, men have not. This is indicated by the 31% of women with post-secondary education, as opposed to the 27% of Qatari men who do (Berrebi et al., 2009). While almost half as many men are enrolled in post-secondary education in Bahrain, women outnumber men in Qatari post-secondary institutions by a ratio of three to one (Karoly, 2010). This would seem to indicate that educational attainment will continue to be driven by Qatari women. This trend is likely driven by several factors, such as an increase in female role models in Qatar, increased ambition of females, and the fact that men are traditionally given preferential roles over women. In order to facilitate the increased ambition and desire for managerial roles (usually held by men), females are gaining higher levels of education in order to offset the traditional selection of men.

**Role of Women in the Workplace**

Women in Qatari society have traditionally held clerical, teaching, or government positions. However, based upon a recent survey of high school students, there is now a strong aspiration among females, particularly young Qatari females, to be professionals or managers.
These aspirations are further supported by the fact that twice as many female students as male students plan to attain post-secondary educations (Stasz et al., 2007).

A large number of Qatari women complete a post-secondary education: 66% in 2007, 63% in 2008, and 60% in 2009. Although this number does appear to be dropping, it is still relatively high. In contrast, the male population that has found employment but not finished high school was 34% in both 2008 and 2009 (Qatar Statistics Labour Force Survey, 2009). While the new Qatari constitution guarantees women equality in the workplace, there are cultural barriers that may take longer to change. Despite growing aspirations among young females, there is a cultural backlash that does not support the employment of women (Stasz et al., 2007). This backlash tends to blame female labor participation for many social challenges, including a rising divorce rate (Nainar, 2009).

Despite the increased activity of women in the workplace, and the increase in educational attainment among women and men alike, there is still a shortage of skilled labor among Qatari nationals, leading to a significant population imbalance. Furthermore, this reliance on expatriates will continue to put pressure on the country’s infrastructure.

**Strategic Qatarization Program Initiatives**

The localization effort in Qatar is known as Qatarization. The purpose of the program is to ensure workforce participation of nationals mainly through a quota system and training. The Qatarization program was introduced by the Emir in 2000 in much the same manner as the localization movement in the rest of the GCC; that is, through political, legal, and quantitative methods (Forstenlechner, 2010). This implementation was done through a combination of quotas and government incentives (preferential treatment of Qataris). This is stipulated in Qatar’s
Labour Law #14, where Qatarization and the preferential employment of Qatari is a legal requirement for businesses (Qatar Labour Law # 14, 2004).

The Qatarization program originally proposed a quota of 50% Qataris in key positions in the oil and gas industry and 100% in all non-specialist positions in government (Kamrava, 2009). These goals, however, as in other GCC countries, are not being met (Kamrava, 2009). The plan had intended for 20% of private sector jobs to be Qatarized; however, this was not achieved, and the goals were determined to be unrealistic, and were dropped (Kamrava, 2009).

Many organizations in Qatar are hopeful about their progress in terms of Qatarization (Al Bawaba, 2009). In fact, some claim to have achieved high levels of Qatarization, some as high as up to 85% for senior positions (Middle East Company News, 2009). A recent news report by Qatargas - a large, joint partnership partially owned by the Qatari government - indicated that it was expecting to meet its target of 50% Qatarization by 2012. It was also indicated by the CEO of Qatargas that the attrition rate for nationals was below 2%. This low attrition rate was attributed to the very careful monitoring of Qatari, including career progression and training and development programs (Middle East Company News, 2009). This is a similar percentage to that of Qatar National Bank, which reported achieving 49% Qatarization in 2008 (Middle East Company News, 2009). The issue of attrition and, subsequently, organizational commitment, may be an important factor in localization.

Certainly, a key component of successful localization is the implementation of effective human resources strategies to support the process. As Forstenlechner (2010) points out, “…the political, legal and quantitative approaches to localization are only as effective as the implementation” (p. 136). Thus Qatarization appears to be achieved most effectively through effective training programs, human resources practices such as career planning and efficient
training development that constantly monitors and provides guidance to nationals, and a high level of job security (Forstenlechner, 2010; Middle East Company News, 2009).

Despite the optimistic outlook, the goals of Qatarization as originally set out have not been achieved, and even Qatar Petroleum, the largest state-owned enterprise in the oil and gas industry, has only achieved 28% Qatarization (EIU ViewsWire, 2010). The plan had intended for 20% of private sector jobs to be Qatarized; however, this was not achieved, and the goals were determined to be unrealistic (Kamrava, 2009). In the fourth quarter of 2009, Qatar was second only to the Kingdom of Saudi Arabia in terms of job creation for expatriates (Al Bawaba, 2009).

There is now evidence that there will be a more aggressive stance by the government to ensure that Qatarization goals are met (EIU ViewsWire, 2010). This may, in fact, be driven by the perception of many nationals that Qatarization is not working effectively (Slackman, 2010; BBC Monitoring Media, 2009). There appears to be an increasing animosity between nationals and expatriates, fueled in part by a perception of inequality by nationals (Slackman, 2010). Many Qatari nationals believe that expatriates are prejudiced against them, which helps to undermine the Qatarization program. This has further led to a deep sense of angst among nationals concerning their position in society and their views on expatriates (Slackman, 2010; The Economist Intelligence Unit, 2010).

**Directions for Further Research**

The purpose of this paper was to review the current literature regarding localization efforts in the Middle East, particularly in Qatar. Information from the literature review suggests that there are some common barriers to localization throughout the GCC. These can be summarized as 1) an inefficient quota system, 2) a culture that is focused more on prestige than performance, 3) strict cultural practices concerning women in the workforce, 4) non-market-
driven education systems, and 5) an inequitable social contract and distribution of oil and natural gas wealth in GCC countries.

As has been pointed out by Forstenlechner (2010), Harry (2007), Godwin (2006), Mellahi (2007), and Rees et al. (2007), localization in the Middle East is of increasing concern for the region. Demographics shifts—including increasing unemployment, rising costs, higher educational attainment, and the expectations of nationals—coupled with the ever-increasing numbers of expatriates will lead to significant, ongoing challenges to the area unless these issues are effectively addressed. Localization in the area will need to become more than simply a numbers game; it will require the genuine effective participation of nationals in both the private and public sectors, as well as a review of national policies associated with education and labor force participation.

While unemployment in Qatar is much lower than in the rest of the GCC, the issue is no less pressing. Evidence of increased frustration among nationals is important and must be recognized. It is for this reason that further research is required on the motivation of nationals and the articulation of human resources management practices in Qatar that support cultural aspirations, counter traditional practices, and reduce barriers to localization.

There are also conflicting perceptions between expatriates and nationals about what Qatarization is and how successful it has been to date, as well as how successful it can be in the future. Hence, further investigation into the success of Qatarization is warranted on industry- and business-specific levels. A comprehensive study is suggested to enhance learning and a collective understanding of nationalization in Qatar, specifically in the private sector. Quantitative data is required to determine how successful localization is and how can it be increased. Information about the actual workplace commitment and participation of nationals
vice employment aimed merely at fulfilling quotas is also necessary. Measures identifying the barriers to localization would help to guide public policy and the subsequent implementation of localization. This would be augmented by a measure identifying and evaluating company-specific factors that could enhance localization.
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