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# Business Lunch: 26<sup>th</sup> June 2008

## International Mobility Group: Dubai

Event Report

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## Introduction

Successfully doing business in a foreign country is always related to understanding the local (management) culture of that country and its particular regions. Underestimating the cultural factor not only makes life and work of expatriates more difficult – it also costs money.

At present, more and more companies are striving towards a permanent representation at the Gulf and are therefore opening offices in Dubai. The fact that Dubai is a tax-free county makes it an employer's paradise. But conducting business in Dubai requires more than just basic accountancy skills. Crucial to the success of any business undertaking is a well-informed preparation and management of the expat's stay abroad.

To prevent companies and expats from running into unpleasant and unexpected pitfalls on their missions abroad, the International Mobility Group (IMG) business lunch has been called into existence by Expertise in Labour Mobility (ELM) as a forum to share experiences and to network.

The representative of ELM's Dubai offices Sharjeel Moutier, long-term resident in the United Arab Emirates, joined the lunch meeting to give an informative talk leading into general discussion.



## Executive Summary

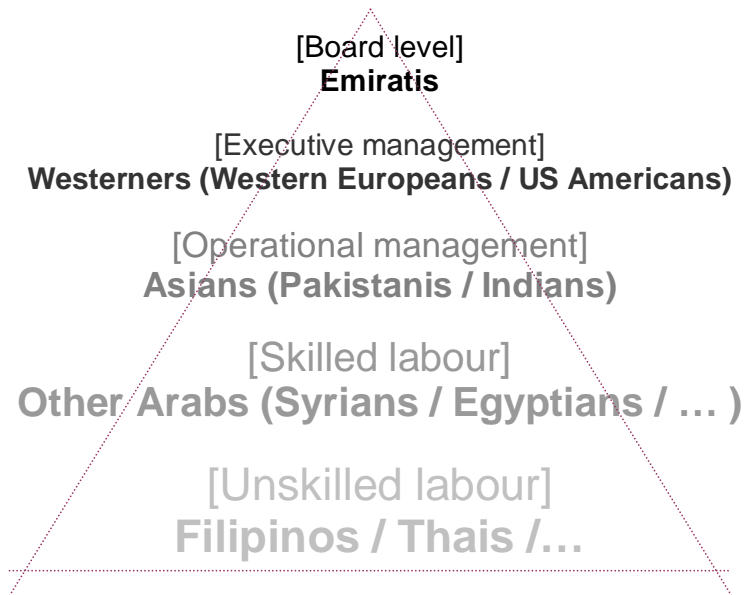
It is important to realise that frequently things in Dubai are not what they seem to be from the outside. *“On the surface, things always look perfect – but behind the scenes, they do not always work. If you want to find a solution to a problem this means, you will have to look behind the façade”*, Moutier explained.

Over the last decades the economy of the United Arab Emirates has been developing rapidly in terms of the internationalisation of the labour market. *“The local companies are becoming more and more international”*, Sharjeel Moutier explains. *“Consequently they want to impose international rules and legislation.”*

*“It all depends on who you are”*, asserts Moutier when outlining the general working conditions in Dubai. *“And who you are is largely defined by your ethnicity, your passport, and your gender.”* This blunt reality sounds rather discriminatory – which is of course exactly what it is – yet one has to acknowledge that discrimination is not at all perceived as a negative attitude in Dubai. It is common and it transcends through all spheres of daily life.



A hierarchical clan-type structure governs the labour market. The overwhelming majority of companies and organisations in Dubai is run by Emirati families. *"The general mentality is: locals come first."* Hence the following scheme:



At the top level of the pyramid, the working conditions are astronomically luxurious. Westerners usually experience this to be one of the greatest contrasts in comparison to their home countries' working environment. For unskilled migrant workers though, conditions are quite tough, to say the least. Generally, they work for rather low salaries, without insurance in an environment where safety regulations are often neglected. Illegal migrant workers are neither considered a burden nor a gain within the society of Dubai. According to Moutier's estimation: *"Their legalisation merely happens because of profit reasons."* Visa regulations are somewhat a matter of interpretation. *"Success and duration of the application procedure usually depends on who is applying, how influential is the future employer, and finally, how badly does he need the expat."*

The future demand for expat labour is expected to be mainly knowledge based. *"To keep Emiratis in high-level positions, however, education becomes more relevant within local communities."* As a result, the country's educational sector is expected to change rapidly in the near future.



When doing business in Dubai, it is vital to adopt a person-to-person approach: *"You cannot delegate actions in Dubai – you have to be present personally! If you don't have a permanent representation, make sure to send over staff on a regular basis."*

Locals tend to be somewhat sceptical towards people coming from abroad. At the same time Emiratis highly appreciate doing business with relatives and friends. An asset to working in Dubai, therefore, is the ability to socialise and taking pleasure in it. *"The higher you are in rank the more time you are likely to spend socialising"*, is Moutier's estimation. Particularly in the life of a newcomer to the Gulf, social activities take up a lot of time, so does building up strong and reliable relationships.

Do not transmit the impression that you are in a hurry, since that will do everything but speed up your business negotiations.

A thing most expats, commonly struggle with at the beginning of their stay in Dubai is the directness with which personal subjects might be addressed within a business context. It is normal to inquire about the business partner's spouse, his children and their well-being.

Compared to its immediate neighbours, the UAE, including Dubai, are considered the most liberal country at the Gulf. Nonetheless, according to Western standards Dubai must still be understood as a rather conservative place. *"Legally speaking, there is nothing that will prevent a woman in Dubai from working."* The reality is, however, that society is still characterised by noticeable gender separation. Generally women in Dubai feel more comfortable working with and under other women.

*"In the past many companies have put an emphasis on employing women, in order to reach a greater group of clients."*

The Emirati society is somewhat exclusive. 'Ghettoisation' is definitely a typical phenomenon within the expat's life in Dubai. Generally neither the expat nor his/her family adapt to the local culture in terms of learning the language, or making personal friends among the Emiratis. And this is basically what the Emiratis expected them to do. As Sharjeel Moutier summarises: *"They are there to fulfil their tasks at work. That's it."*



## Thanks

Expertise in Labour Mobility wishes to thank the following representatives for their valuable contribution to this IMG business lunch meeting:

Sharjeel Moutier	Expertise in Labour Mobility
Reshma Ghisaidoobe	EVD, international business cooperation
Renée Piket	Loyens & Loeff N.V.