

The Importance of and Dependence on Immigrants: A Comparative Look at Dubai and Silicon  
Valley

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Jonathan Shapiro Anjaria, Advisor

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John Bennett

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## ABSTRACT

# The Importance of and Dependence on Immigrants: A Comparative Look at Dubai and Silicon Valley

A thesis presented to the Graduate Program in Global Studies

Graduate School of Arts and Sciences  
Brandeis University  
Waltham, Massachusetts

By John Bennett

This paper is intended to provide information about the importance of immigration and provide an in depth look at two important global locations, Dubai and Silicon Valley. In order to comprehend why immigration is important and how in some cases locations are dependent on immigration, it is important to look in depth at the benefits of immigration and look at locations in which immigration is essential. In order to understand these points I conducted extensive research on reasons why immigration is important and how it benefits and has benefited societies. Additionally I found it important to compare two locations where immigration is essential which are Dubai and Silicon Valley. After looking in depth at these two locations, as well as evidence for why immigration is important, it is clear that immigration is a very important phenomenon and that although Dubai and Silicon Valley have many similarities, they

differ a great deal in many ways. However, despite having similarities in terms of the dependence on immigration and cosmopolitan atmosphere, Dubai and Silicon Valley differ greatly due to different legal issues, employment, and the overall culture. Ultimately, immigration as a whole is beneficial and important, and in the case of Dubai and Silicon Valley, it is essential, and as the world becomes more interconnected, immigration will continue to increase, resulting in more communities like Dubai and Silicon Valley.

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## Introduction

Immigration is essential in the modern world. Today, immigration is at the forefront of discussions and policies within countries and between countries. Additionally it remains a very divisive issue, creating tense emotions by people on both sides of the debate; those largely in favor of immigration, even increasing immigration, and those against immigration. Yet, the immigration debate is not one that is so clear-cut between those for immigration in all circumstances, and those against immigration in all circumstances, rather it lies mostly in the middle, with many people not holding polarized views. For many people, immigration is an issue that is more of a 'case by case' topic. Unfortunately it is not practical to view such a large, global event as one that can be decided at an individual level. According to a 2013 United Nations report, 232 million people were international migrants, representing about 3.2 percent of the world's population. This number represents an increase of 175 million in 2000 and 154 million in 1990.<sup>1</sup> Although this number might seem small, it still represents a sizable number of people and a substantial increase from previous years, indicating the increasing numbers of immigration. Also, this figure does not capture the magnitude of immigration, as the numbers do not illustrate the children born to immigrants who represent an important bridge between immigrants and their host country. Additionally, it does not illustrate the number people who work with immigrants, representing a large segment of the population. In short, immigration affects a lot of people's lives and societies all around the world.

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<sup>1</sup> United Nations Department of Economic and Social Affairs.

When it comes to immigration, there are distinctions made between the different categories of immigrants. In this paper, the following categories include: high-skilled, less-skilled, and refugees/asylum seekers. I use the term less-skilled instead of low-skilled because ‘low-skilled’ immigrants still possess valuable skills necessary for a society, they just require different skills than that of high-skilled labor. The high-skilled immigrants are highly educated in a field for which they have specialized career training. These immigrants are economic migrants moving to another country for work, in some cases being recruited by companies in another country. Although they might not start out wealthy, often they soon acquire wealth while working in another country. Less-skilled immigrants are also economic migrants who are generally less-educated and enter into fields that require fewer technical skills, such as cleaning or agricultural labor. These immigrants move to another country to work for better wages than they would receive at home, and generally do not rise very much economically. Refugees and asylum-seekers make up the last category, consisting of people from all backgrounds, including highly-educated or skilled to almost no education or labor skills. The commonality between all of these people is that they are fleeing some form of war, persecution, or other tragedy, in which they cannot return home. According to the United Nations High Commissioner for Refugees, also known as the UNHCR, a refugee is someone who “owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality, and is unable to, or owing to such fear, is unwilling to avail himself of the protection of that country.”<sup>2</sup> From this definition, it is evident that refugees are a special category of migrants and should be treated as such. Immigration reform is especially essential for refugees as it would help to resettle many refugees, of whom a majority live in the developing countries bordering the country from which they fled. However,

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<sup>2</sup> United Nations High Commissioner for Refugees.

there are not a substantial number of refugees in developed countries, in comparison to the global refugee population. This is partially due to the fact that there often is a fear in developed countries that too many refugees will become a burden on the economies and societies, but as seen in a report published by the United Nations, most of these refugees do not live in the developed world. Instead, these refugees flee to neighboring countries and wait in those countries to be settled in a third, often developed country. As seen in the same United Nations report, nine out of ten, or about 87 percent of refugees live in a developing country. The continent of Europe only hosts 1.5 million refugees out of the entire population as of 2013, and the rest of the world, including the United States, Canada hosts only 800,000 refugees.<sup>3</sup> This illustrates the fact that refugees in particular need reforms so that they can be settled in another country that is better off economically.

In order to understand the complexities of immigration, it is first important to look at the reasons why immigration occurs, especially in regards to the policies of sending-countries, the countries where the immigrants are moving from, and receiving countries, the countries, where immigrants are moving to. Often issues arise whether or not the sending or receiving countries should restrict immigration. The sending country will generally lose economic well-being when large numbers of its citizens leave abroad for another country, pursuing higher wages or more job opportunities; however, it is important to note that there are also positive effects of this emigration. As described by Thomas Pugel, there are many economic and governmental side-effects due to emigration. First, emigration can hurt the government due to a loss of tax revenue and to a decrease in the circulation of money within the local economy, with regards to buying local goods and services. However, this can also help the government due to less people requiring various government spending programs such as public assistance and government

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<sup>3</sup> United Nations Department of Economic and Social Affairs.



services. But as Pugel describes, this ultimately has a negative side effect due to its losses. One of the issues is that many of the government services that are no longer used by the emigrants are public goods. Public goods are goods generally provided by the government and are neither rival in consumption nor excludable, which means that no one can be prevented from using it, as it is for the general population, such as national defense. In this sense, the government is losing out because they are providing a service for a population that is not using it. Another issue brought up is the fact that many of the services that emigrants utilize, they use at a young age before they leave the country, and they also leave around the time taxation would begin for them. As described by Pugel, “the loss of future tax contributions is likely to be larger than the reduction in future government spending as people migrate from the sending country.”<sup>4</sup> This illustrates the point that the sending country would be affected quite negatively by large numbers of its citizens leaving. A second issue that is often brought up is brain drain, a term used to define situations in which a developing country loses a lot of its well educated or industry specialists to other more developed countries. This greatly hurts the economy of a developing sending country, as it loses a lot of its talent to other countries, and this limits its growth potential, as its young professionals leave the country.

However there is one important positive impact for a country with a large segment of its population overseas, remittances. Remittances are a term for money that is sent back to family or friends of an individual working abroad. Remittances are a very important part of the world economy as they represent a large amount of money flowing from one country to another. According to a World Bank report from 2013, it is projected that the developing world will gain \$414 billion in remittances and it is expected to rise to \$540 billion by 2016.<sup>5</sup> This illustrates the

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<sup>4</sup> Pugel, Thomas A., *International Economics*, 344.

<sup>5</sup> World Bank.

importance of remittances as they serve as a very important flow of money into developing countries, which greatly helps the local economy. In fact, remittances make up significant portions of a country's GDP in many countries around the world. According to the same report, in 2012 remittances made up 48 percent of GDP for Tajikistan, 31 percent for Kyrgyzstan, 25 percent for Lesotho, 25 percent for Nepal, and 24 percent of Moldova's GDP.<sup>6</sup> This highlights how important remittances are, and how they not only help the individuals receiving the money, but the country's economy as a whole. There are many more countries whose GDP is also largely based on remittances.

In addition to decisions surrounding whether or not sending nations should place restrictions on the movement of people from its borders, it is important to also look at the case where receiving countries debate if they should place restrictions on immigration. Ultimately, immigration positively affects the receiving nations, especially by increasing its economic well-being. This alone illustrates that immigration should be encouraged, if not increased. This being said, there are two non-economic issues in particular brought up by Pugel that challenge this idea. He describes two types of 'negative' externalities, which is a negative impact of a person's actions that affect the well-being of others. First he mentions population growth, and issues associated with it such as conflicts and crimes. Second, he writes about 'social friction' that comes from conflict between immigrants and citizens.<sup>7</sup> Both of these points hold little merit in the immigration debate and do not justify restricting immigration, especially when compared to the economic benefits of immigration and increased global cohesion. Both of the issues mentioned are societal issues that do not directly affect the economy, and are problems that can be dealt with. These issues also highlight arguments often brought up of, in which immigrants

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<sup>6</sup> *World Bank.*

<sup>7</sup> Pugel, Thomas A., *International Economics*, 344.

will either: steal jobs, increase crimes, and destroy the culture of the receiving country. Often these claims are exploited by groups who oppose immigration, which seek to gather support for their ideals by describing immigrants as an unsavory ‘other’. In short, the receiving country should not restrict immigration.

In order to understand why immigration is so important for a society it is necessary to look at examples in which countries or regions are dependent on immigrants in order for industries, or even the country as a whole to run. With regards to this point, there are two regions in particular that represent sites of large-scale immigration and a dependence on these immigrants and they are Silicon Valley in the state of California in the United States and Dubai in the United Arab Emirates. Both of these regions share a number of similarities in terms of the points mentioned above so they both serve as an important way to understand the importance of immigration. However, in discussing this question it is important to compare why these regions are dependent on immigrant labor and how these two regions function in terms of everything from immigration processes, to labor, to the formation of immigrant communities. Essentially, this paper serves to document and understand both why immigration in general is important and why it is essential in certain places such as Silicon Valley and Dubai. Additionally it compares these two regions in order to understand their similarities and differences, but also provides examples of immigration and its effect on societies, both economically and socially.

In order to actually conceptualize the questions, certain topics need to be discussed. First of all, it is important to explain why immigration in general is a positive phenomenon, and to look at the various ways in which it benefits the local societies. It is necessary to discuss different ways in which immigration or individual immigrants can help the country including filling voids in labor markets, providing labor flexibility, allowing for the host countries to

remain or become competitive, and add culture and experiences, creating internationally important cosmopolitan regions. Second, it is important to look in depth at the immigration phenomenon in both Silicon Valley and Dubai. For each region, it is crucial to look at how the immigrants specifically help out in these regions, which depend on the foreign labor, and to look at the labor they perform. It is also necessary to look at the issues surrounding immigration in these regions including citizenship and visa systems, as they provide important information about immigration systems that can be developed to better serve both host countries and immigrants. Another point that is important to look at is the experience of immigrants within both Dubai and Silicon Valley, but especially Dubai, as issues relating to identity and community are more prevalent. By looking at immigrant experiences in these regions, the immigrant experience in general can be better understood, which can be implemented to help immigrants. By looking at all of these different issues, the questions of why certain regions are dependent on immigrants and why immigration is a good thing can be understood and conceptualized.

### The Importance of Immigrants

One of the reasons why immigration is so important is because immigrants greatly help the economies of both sending and receiving countries. Most developed countries rely to some extent on an immigrant workforce to perform both high-skilled and less-skilled labor. These migrants help the economy greatly by filling positions needed in order to enable the country to grow economically. Another reason why immigration is important is because it often leads to stronger relations between countries due to residents of one country now living in another. One way we can see this is, is through the opening of consulates in areas where there is a significant population from that country, such as Mexican consulates in Los Angeles and San Francisco. And lastly, it helps to enhance the culture of the new country by creating new cultures within their host country, as well as creating their own new hybrid culture. Immigration also positively affects the sending countries as well. Although there are negative side-effects of immigration for the sending developing countries, such as the outflow of talent and education or 'brain drain', there are many more positive effects on the sending country including remittances, the increased education as more people obtain degrees with the hopes of going abroad, and the growth that occurs when immigrants return home to start businesses or help out the country's economy.

Another aspect of the immigration phenomenon is undocumented immigration. Although it is generally agreed upon that immigration is important, especially economically, there are still many barriers placed in the way of less-skilled immigrants including entering into a country and protection of their rights to work. Many countries around the world have strict entry policies making it very difficult for all types of immigrants to enter into the country. Because of this, the

ever present issue of undocumented, or as it usually referred to, illegal immigration has continued to rise. Undocumented immigration refers to migration of people into another country through not entering through a proper entry point, overstaying student or travel visas, or other unlawful ways. Because of their undocumented status, these immigrants are often forced into labor in which they are easily exploited, a point often brought up those who wish to lessen the amount of immigration at all levels. However, with immigration reform, there can be more protections for these immigrants.

As expected, there are many who are opposed to the migration of less-skilled laborers and who down-play the importance of this category of immigration, and they often bring up the same reasons why immigration should be decreased. One the main arguments brought up those opposed to low-skilled immigration argue that the low-skilled immigrants are not simply filling in gaps in the labor-force, rather they are taking the place of a worker who is a citizen of that country, and is doing so for a much cheaper price. While this is true in some instances, overall, immigrants are filling a need for a certain position. A second argument brought up is that the immigrants are a burden on society, but as will be presented in this section, that is not the case in most instances. And a third argument often brought up, specifically when talking about refugees, is that refugees will come to country and be dependent on social services for an extended period of time, and that they will not contribute much back to the economy. Again, as presented in the section, this is not the case.

In this section we will look at the benefits of immigration, with special attention to the various economic benefits that immigrants add to the host, or receiving country. In order to understand why these categories of immigrants are so essential, it is important to look at various examples of how they help out economically including: the boosts to the local economy, the

labor-markets they fill due to a lack of labor from the educated local population, their importance in helping to alleviate social service issues, their ability to follow work as needed, their entrepreneurship, and a specific look at refugees.

One of the most common points brought up in favor of immigration is that immigrants will do the jobs that locals will not do because they are either dangerous, perceived to be unsanitary, the pay is too low, or a number of other reasons. And although this point is often discussed, it is important to reemphasize the point here. One of the main reasons why this is true, is that many people in developed countries grew up under the notion of aspiring to be whatever they wanted to be, not often included: janitors, plumbers, kitchen staff, and others like it. Along with this push to be whatever one wants, comes a rise in education level. In fact according to a United States 2004 report, written by Philippe Legrain, “out of every ten over-twenty-fives in the US labour force, only one has failed to finish high school, while three have only a high-school diploma, slightly fewer than two are college dropouts, and over four have one or more degrees.”<sup>8</sup> This highlights how in the United States, the population is becoming more and more educated. This trend is similar across most developed countries, which now have more highly educated populations, but also many jobs that do not require much education. In addition to looking at the educational demographics of developed countries, it is also important to look at the jobs that these more educated individuals are entering into. Again looking at the United States, Legrain reports that, about a third of labor of the workforce consists of jobs that highly skilled ‘natives’ aspire to have. About 38 percent work in less-skilled positions that require some education. Which leaves “28.3 percent of jobs that most less-skilled natives would rather not do at all: the 12.9 percent of jobs in relatively low-end services, such as healthcare support, preparing and serving food, cleaning and maintaining buildings and grounds, and personal care and

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<sup>8</sup> Legrain, Philippe, *Immigrants: Your Country Needs Them*, 73.

service...and as the number of low-skilled natives shrinks, the shortage of people to do such work will grow.”<sup>9</sup> These statistics are important as they illustrate how over 25 percent of jobs are those that most locals will not consider, indicating the need for a work-force willing to fill the gap. Many of the jobs in the listed 28 percent of less-skilled occupations are far below what most locals would consider as a job they would be willing to perform. Both the educational and the occupational statistics illustrate one of the reasons why immigrants are important for a country. Additionally the statistics are important because they indicate how many people there is that would not consider the less-skilled jobs, and the amount of jobs needed within a country’s labor force.

Another reason why all immigrants, including the largely less-skilled immigrant populations are important is to help many countries dealing with an aging population. Many developed countries all around the world are experiencing a rapidly aging population, often coupled with low birth-rates. As a result, this puts a strain on the welfare systems in many countries as there needs to be a larger population that will feed into the welfare policies, such as social security in the United States. A second issue is that many elderly people need assistance from either live-in helpers or nursing home staff. Both of these issues are alleviated by a strong immigrant community. There are two main reasons why immigration will help with the issue of aging overall. First, immigrants tend to be younger, between the ages of 20-30 which are both prime working years, and the time when people have children. It is important to note that according to a 2010 census report, in the United States foreign-born women had a higher fertility rate than native women, with about 70 of every 1,000 foreign-born women aged 15 to 50 having given birth in the 12 months prior to being surveyed, compared with about 52 of every 1,000

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<sup>9</sup> Legrain, Philippe, *Immigrants: Your Country Needs Them*, 75.



native women aged 15 to 50.<sup>10</sup> This indicates the importance of immigrants for boosting population, which can in turn help alleviate the cost of social programs. Although immigration cannot fully cover the expenses, as reported by Walter Ewing in 2009, almost a quarter of people younger than 17 had immigrant parents and as with all American citizens, they will join the workforce and their taxes, as well as their parent's, will help to sustain Social Security and Medicare.<sup>11</sup> This emphasizes the importance of a younger population and its impacts on the future of a country. In addition to a younger labor-force, immigrants also make up a large proportion of the labor force in the healthcare and homecare fields.

Another reason why immigration is so important, when discussing aging societies, is because immigrants can positively affect the living standards of a country. As presented by Jonathon Moses, the negative effects of declining populations could, by mid-century “reduce the USA’s living standards by 10 percent, the European Union’s by 18 percent, and Japan’s by 23 percent,” Moses goes on to write that the obvious solution to these changing demographic patterns is to “complement the West’s declining population with younger immigrants.”<sup>12</sup> As illustrated, immigration not only helps out the labor-market, but positively affects the standard of living for countries. And in some cases, immigration is not only helpful, but is essential for many countries dealing with economic issues related to population. In addition to the benefits of immigrants boosting the local population and substantially helping to cover social services costs, immigration supplements the workforce of many aging societies. As the population ages in many countries, especially in Europe and Japan, there needs to be a workforce, not only to add into services such a social security, but to fill in jobs. Additionally, the children of immigrants will also fill in the jobs that are now open.

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<sup>10</sup>United States Census Bureau.

<sup>11</sup> Ewing, Walter A., Immigration Policy Center.

<sup>12</sup> Moses, Jonathon W., *International Migration: Globalization's Last Frontier*, 119.

The next area that needs to be looked at is the fiscal impacts, as well as other economic impacts of immigrants on the receiving or host country. This is important to look at, because another fear related to immigration that some people have is that they will cause a strain on the economy via social welfare programs. This however is not the case as many immigrants actually help out the economy, by paying more into the government than they receive from it. This indicates the fiscal importance of immigrants. Additionally, immigrants help out the host country's economy via growth and positive effects to the GDP. Immigrants do not represent a significant negative impact on the host economy due to the fact that they have a high numbers of labor force participation, which in turn means that many do not receive government aid, or at least not at a significantly higher rate than that of citizens of many countries. Immigrant's fiscal impacts are highlighted in a book by Ian Goldin, Geoffrey Cameron, and Meera Balarajan, in which they write that in the United Kingdom in 2004, migrants from a number of Eastern European immigrants “contributed ‘significantly’ more in taxes than they received in benefits and services,” and migrants in 2008-2009, “paid 37 percent more in direct and indirect taxes than they received in benefits and from public services such as education, the National Health Service, or social housing.” The report concluded that “from the fiscal point of view, the immigration has not at all been a burden on the welfare system. Rather it has contributed to strengthen the fiscal position.”<sup>13</sup> This example shows that immigrants do not drain public services; they actually help add to the economy. Additionally, a majority of immigrants are employed, which adds to the economy, rather than hurting the economy. In terms of growth and GDP, immigrants also positively influence these factors as well, and they help the economy in a number of different ways. One way that they help is through the creation of jobs and allowing other people to enter into the workforce. They also help keep economies from collapsing

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<sup>13</sup> Goldin, Ian. Cameron, Geoffrey. Balarajan, Meera, *Exceptional People*, 170.

especially in regions where the economy relies on immigrant labor, such as the Arabian Gulf countries. In terms of contributions to the economy Goldin, Cameron, and Balarajan write that in a study on OECD countries, “immigration is accompanied by commensurate increases in total employment and GDP growth,” and that “migrants contributed about 6 billion pounds to the national economy...and migrants make a modest net contribution of 10 billion dollars a year to the U.S. economy.”<sup>14</sup> These figures illustrate the importance of immigrants on the economy in terms of contributions. In addition to monetary contributions, immigrants also greatly help the economy by adding to the workforce. They do this in two main ways. First is through direct employment, which is crucial for some countries, including some Gulf countries, where migrants constitute more than 90 percent of the workforce as described by Goldin, Cameron, and Balarajan.<sup>15</sup> Direct employment presents a majority of the positive impacts on the host countries economies, but through certain forms of employment, more people can enter the workforce. An example of this is provided by Goldin, Cameron, and Balarajan, who write how when an immigrant provides low-cost childcare, it provides an opportunity for both of the spouses to work, and through the employment of the immigrant worker, two people are employed, which helps out the economy as more people are working and wages earned will be spent on goods and services, greatly helping the economy.<sup>16</sup> This is especially important today, and will continue to be important as more and more households have both people working, which also positively affects the economy, and it is due in part to the labor provided by immigrant workers.

Another reason why immigrants are important for countries is that they are very mobile. Immigrants will move to where the work is, whether it means choosing a location where they know there is work, or following labor as it moves around a country, as is the case with migrant

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<sup>14</sup> Goldin, Ian. Cameron, Geoffrey. Balarajan, Meera, *Exceptional People*, 165.

<sup>15</sup> Goldin, Ian. Cameron, Geoffrey. Balarajan, Meera, *Exceptional People*, 165.

<sup>16</sup> Goldin, Ian. Cameron, Geoffrey. Balarajan, Meera, *Exceptional People*, 166.

farm workers. This is important fact for two reasons. First it is important because it means that immigrants will often go to an area that has jobs available, filling in the need for specific jobs, while not replacing a local worker. Second, they will follow work if it moves. The most prominent example of this type of labor is farm labor, largely in California, in which migrants move throughout the state following seasonal crops. These less-skilled immigrants will go to where potential employers need them. This phenomenon is described in a report about less-skilled immigration by Immigration Works USA. The authors write how immigrants move around following work, including the aftermath of Katrina, in which 100,000 immigrants went to Louisiana to help out with various projects to rebuild the area. They go on to write that immigrant's "ready mobility is one of the key ways low-skilled immigrants contribute to U.S. economic growth," and "low-skilled immigration helps ensure that there are workers where and when employers need them."<sup>17</sup> As highlighted, the mobility of immigrants not only helps overall economic growth, but greatly helps individual employers who will have access to a steady supply of labor when they need it, without having to try and get local people to move to where the job is.

One last important reason why less-skilled immigrants are important and beneficial to the host society is entrepreneurship and self-employment. The next section contains a look at the high-skilled, high-tech entrepreneurship that is often discussed and very important for the economy, but in this part the less-skilled entrepreneurship needs to be discussed. In an article written by Magnus Lofstrom he discusses the less-skilled immigrant presence within low-skilled entrepreneurship in the United States. In his conclusion he writes that "immigrants play a particularly important role among these less educated entrepreneurs and in fact, the entire net

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<sup>17</sup> Zavodny, Madeline and Jacoby, Tamar, Immigration Works USA.

growth in low-skilled self-employment from 1980 to 2007 stems from immigration.”<sup>18</sup> This shows just how important immigrants are within the entrepreneurship sector of economies. Many businesses started around the world are immigrant owned and run, and these businesses represent an important part aspect of local economies. The types of businesses that immigrants run are quite diverse and range from grocery markets to computer distribution. Immigrants have moved out of the traditional businesses often started by immigrants, and into businesses that form an important part of the economy. In his book about employment in Silicon Valley, Alan Hyde writes how the “New Economy, then, includes some very Old Business forms: networks of ethnically linked businesses that provide goods and services to the larger community. These networks do not just involve Chinese laundries and Korean greengrocers, but the design, manufacture, and distribution of computers and components, linking California, with Taiwan or Singapore.”<sup>19</sup> This example illustrates not only the importance of immigrant entrepreneurship, but to illustrate how it is becoming more aligned with global processes and thus representing an important asset within local economies. Another point that this illustrates is the importance of immigrant networks. Coming from another country, immigrants have connections to their homeland which can be very beneficial for businesses as it can lead to expansion of markets, and to better deals on products.

The refugee category of migrants is important to include in the discussion of the importance of less-skilled immigration, because refugees also perform labor that is essential to countries. Refugees, like the other less-skilled immigrants often take up the jobs such as cleaning or restaurant jobs that are often not taken up by the local population. However, just as with less-skilled immigrants there is a lot of suspicion as well as anger at refugees when they come to

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<sup>18</sup> Lofstrom, Magnus, *Low-skilled Immigrant Entrepreneurship*, 42.

<sup>19</sup> Hyde, Alan, *Working in Silicon Valley*, 223.

another country. To counter commonly held ideas that refugees will not benefit society or that the work they do will depress the wages of locals and take the jobs of the locals are not true, as can be seen in an article by John Carney who uses data from a report by the National Bureau of Economic Research by Mette Foged Giovanni Peri. The report looks at the employment of less-skilled immigrants and effect they had on the economy. What is unique to this case is that most of the less-skilled immigrants were refugees from the former Yugoslavia, Iraq, Somalia, and other countries. This report illustrates how refugees are in fact an important part of the labor force and are beneficial to the economy overall. Carney describes how in the report they found that “hourly wages of less educated natives were on average positively affected by immigration, the effect increases as the low skilled gradually move towards more complex occupations and a fraction receives formal training to increase their complementarity with the manual jobs performed by non-EU immigrants.”<sup>20</sup> This emphasizes not only that less-skilled immigrants did not have a negative effect on the economy, but that refugees were in fact helping the economy, by pushing people into higher-wage jobs and taking up jobs that required less-skilled labor. Now this is not to say that this model can be applied to countries such as the United States, due to differences in size and immigration make-up, rather it is just one example of how refugees can be very beneficial to a society.

As mentioned, refugees and asylum seekers especially come under scrutiny as being thought of as a burden rather than a benefit. The fact is that refugees and asylum seekers are similar to the less-skilled category of immigrants as they often perform the same types of labor, which are essential to a society. In this discussion, the same types of arguments and concerns are brought up including a burden on social welfare services and concern that the refugees will remain unemployed for an extended period of time. These concerns are discussed in an article by

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<sup>20</sup> Carney, John, CNBC.

Roger Zetter, who describes potential methodologies to look more in depth into the impacts of refugees on host societies. Zetter points out a number of facts that illustrate that in some cases, refugees do in fact put a strain on the resources available in a community, at least at first.

However, Zetter does write about benefits of refugees as well. Zetter writes how refugees “bring economic benefits and development potential – for example, new skills and, above all, expanding consumption of food and commodities such as building materials, which stimulates growth of the host economy. At the same time, the host community may benefit from assistance programmes such as infrastructure and welfare services provided by agencies responding to refugees’ needs.”<sup>21</sup> This shows two important phenomena. First, it shows how refugees are important for employment and development potential, which benefits the country. It also shows how refugees can help to bring in services for the refugees which can benefit the local community as well. So although there are instances in which refugees can be a burden, at least at first, in the long-run, refugees help the country overall.

Based on these numerous reasons, immigration is very important, and as seen in this section, less-skilled migration is just as crucial as the high-skilled immigration. Less-skilled immigrants fill just as many important labor fields as do high-skilled immigrants and are quite beneficial to the societies in which they live. The refugee/asylum seeker immigration category is also very important for other countries, as they too perform necessary labor and help the development of the economy and culture of the host nation in which they live. Without all of these immigrant categories, most countries would not be able to function properly, as they heavily rely on immigrants, and immigrants fulfill the needed labor.

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<sup>21</sup> Zetter, Roger, *Are Refugees an Economic Burden or Benefit?*

## Silicon Valley

As discussed, immigration is one of the most important aspects of modern society, affecting every country around the world. Each country is either a sending country, meaning the people are emigrating from that country to a new one, or a receiving country, a country which people are moving into. In order to illustrate the importance of immigrants, the Silicon Valley needs to be discussed. Silicon Valley represents a very prominent example of a society populated largely by recent immigrants, from a very diverse range of countries, and also represents an instance in which immigrants are not only helping out the local, and national economy, but are on the forefront of changing the immigration policies of the United States. In this section we will take a look at the importance of immigration and the benefits of high-skilled, as well as low-skilled immigration. In addition to the above points about the importance of immigrants overall, it is necessary to look at the importance of and impacts of the high-skilled immigrants within Silicon Valley, including entrepreneurship and business, as well as the less-skilled immigrants who perform essential labor inside and outside of the formal economy. It is also important to look at the status of Silicon Valley's high-skilled workers within the current American immigration reform debate, and the issues surrounding an increase in visas for these immigrants.

In order to understand the importance and necessity of immigration it is important to look at an example of a situation in which large-scale immigration, due in part to pro-immigration policies and culture, has positively affected the receiving society economically and socially. The area is Silicon Valley, California. Silicon Valley refers to metro San Jose area, which includes



the population of Santa Clara County, numbering 1,781,642 people per the 2010 census.<sup>22</sup> Often included in Silicon Valley includes cities near San Jose in Alameda and Contra Costa counties, and even San Francisco. Many Silicon Valley workers live outside of the Santa Clara county borders, and many who live within Santa Clara County work in nearby counties. Silicon Valley industries generally refer to the high technology industries that have emerged, making Silicon Valley an economically important and powerful region starting in the 1980s. Within Silicon Valley proper there are countless high-tech companies specializing in everything from fiber-optics to personal computers to movie rentals. Some of the globally recognized companies include Yahoo in Sunnyvale, Intel in Santa Clara, Google in Mountain View, Apple Inc. in Cupertino, Netflix in Los Gatos, eBay in San Jose, Adobe Systems Inc. in San Jose, NetApp Inc. in Sunnyvale, Hewlett-Packard Company in Palo Alto, SanDisk Corporation in Milpitas, and many other companies that make up the high-tech industry. In addition to the high-tech industry, Silicon Valley is a thriving metropolitan area, requiring a large workforce to keep the region running, everything from janitorial and cleaning work, to teachers and city leaders. Much of this labor force across all sectors is made up of immigrant or transnational individuals. Additionally this region is often associated with wealth and education, but there is a large segment of the population that is working class or at the poverty level. According to a Yahoo Finance article published in 2013, the San Jose metro area ranked the most expensive metro area in the United States, with a median household income of \$90, 737 and an unemployment rate of 8.6%. However, it also has a poverty rate of 10.8%, which was the third highest rate amongst the top ten most expensive areas, indicating a sizable population living in poverty.<sup>23</sup> These indicate that the area is in fact quite wealthy, but additionally, many people are not.

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<sup>22</sup> United States Census Bureau.

<sup>23</sup> Alexander E., M. Frohlich, Thomas C., and Michael B. Sauter, *Yahoo Finance*.

The immigrants in Silicon Valley represent a truly global workforce with many workers coming from all six populated continents and numerous countries. Countries with sizable populations established in Silicon Valley include those from: China, Korea, Taiwan, India, Vietnam, the Philippines, Pakistan, Mexico, Ethiopia, Sweden, Germany, Somalia, Iraq, Lebanon, The United Kingdom, Cambodia, El Salvador, Brazil, Laos, Samoa, Nigeria, Iran, Tonga, Russia, Palestine, Turkey, France, Israel, Italy, Indonesia, Peru, Malaysia, Burma, Bosnia and Herzegovina, Norway, Armenia, and many other countries. The immigrants represent both high-skilled and less-skilled workers, filling in positions from janitors to CEOs. They represent all income brackets from below the poverty line to multi-millionaires. When discussing high-skilled immigrants, there are two main reasons why they have been coming to Silicon Valley. The first is due to the recruitment by high-tech companies who actively seek out the best in the fields of engineering, technology, and science. There is a demand in Silicon Valley for talented and bright workers, and they search around the world for these workers. Foreign countries often supply this demand, with highly educated and skilled workers who are attracted by the wages offered by the companies. A second reason is due to Silicon Valley's high-velocity labor market. Alan Hyde writes that this high-velocity labor market "not only creates a demand for all kinds of labor, it enables a kind of career across firm boundaries that is particularly appealing to immigrants, who heavily start businesses of their own."<sup>24</sup> Due to the nature of Silicon Valley and its demand for labor, many immigrants have moved in and helped these industries to grow, benefiting the local economy, as well as themselves.

High-skilled immigrants in Silicon Valley make up a significant percentage of the workers in Silicon Valley, indicating their importance to the high-tech industry. Statistics related to the number of foreign workers in Silicon Valley are described by Alan Hyde in his book about

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<sup>24</sup> Hyde, Alan, *Working in Silicon Valley*, 128.

working in Silicon Valley. Hyde presents a number of statistics indicating the amount of high-skilled foreign workers in the science and engineering fields. A 2001 study shows that 17 percent of the scientists and engineers in the workforce in the national information technology workforce were foreign-born. And in Silicon Valley, one-third of the workers were foreign-born, even in 1990, and this figure was expected to have risen by one-half as much by 2000.<sup>25</sup> These figures indicate the important presence of high-skilled workers, not just in Silicon Valley, but to the United States as a whole. As indicated, this presence is especially important for Silicon Valley, as foreign workers made up over half the workforce by 2000, helping to run the industry during its prime years. This is still the case today, as most companies in Silicon Valley have a workforce that is significantly made up of foreign workers, and increasingly, American-born children of foreign-born parents. Without these numerous foreign workers, many of the successful companies would not have been able to grow.

In addition to the large general labor force in Silicon Valley that is foreign-born, a major way in which immigrants in Silicon Valley have greatly helped the local economy is through entrepreneurship. This immigrant entrepreneurship greatly affects the local economy through the money that flows into the area from around the world, the taxes paid which go directly into the local economy, the jobs created, and the money generated from the large workforce, which enters into the local businesses and housing markets. These immigrants are not only working for companies in Silicon Valley, they are running many companies, and even starting their own companies. In a 2002 report by AnnaLee Saxenian based on 1998 data, in the period from 1980 until 1998, 7 percent of high-tech firms were run by Indian born people and 17 percent were run by Chinese born people. They accounted for \$16.8 billion in sales and supplied 58,282 jobs.<sup>26</sup>

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<sup>25</sup> Hyde, Alan, *Working in Silicon Valley*, 127.

<sup>26</sup> Saxenian, AnnaLee, *Economic Development Quarterly*, 24.

These figures illustrate the significant impact immigrant entrepreneurs have had on Silicon Valley. These numbers do not include the many other immigrant executives of backgrounds other than Chinese or Indian. Since 1998, these numbers increased. As seen in a report by the Kauffman Foundation, by 2005, 52.4 percent of companies were immigrant-founded. However, by 2012 this number decreased to 43.9 percent indicating a decrease in immigrant-founded companies, but still a substantial proportion of start-ups.<sup>27</sup> Both of these figures illustrate the very large proportion of immigrants involved in innovative entrepreneurial ventures, which stimulate growth for the economy. This also furthers the point that immigrants are in fact essential to economies as they provide the labor needed to fill certain industries. Whether it is low-skilled or high-skilled, company founder or engineer, immigrants are essential, especially for Silicon Valley.

Much of this section has focused on the more visible high-skilled, high-tech workers within Silicon Valley, but there is a large segment of the Silicon Valley workforce that is made up of 'less-skilled' immigrants, who perform jobs that are very important for the local economy and Silicon Valley as a whole. These immigrants come from a diverse range of countries including Mexico, the Philippines, Vietnam, El Salvador, and many other countries. Around the same time that the tech industry grew and needed a high-skilled labor force, it also needed a less-skilled, lower wage labor force. Also, as the region grew, so did the need for jobs found in all metro areas including restaurant workers, less-skilled labor in the high-tech firms, and many jobs catering to the new wealthy elite, such as housekeepers and gardeners. In his book, Christian Zlotniski writes how the "demand for low-skilled labor in manufacturing and service occupations fueled further immigration from Mexico," and the "Mexican immigrants, many of them undocumented, became the bulk of the workers employed as janitors, gardeners, hotel workers,

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<sup>27</sup> Wadhwa, Vivek, AnnaLee Saxenian, and Siciliano, F. Daniel., Kauffman Foundation.

housekeepers, fast-food and restaurant workers, maids, house cleaners, baby-sitters, and elder-care workers and in other personal service occupations.”<sup>28</sup> As seen through this quote, not only do immigrants make up a large segment of the less-skilled job market in the growing metro area, but they fill the need for these occupations. Zlolniski also illustrates how through subcontracting, Silicon Valley’s “high tech firms benefit from access to abundant, cheap, and flexible immigrant labor.”<sup>29</sup> Again, this emphasizes the benefit that less-skilled immigrants provide for Silicon Valley. It is important here to mention that just as with high-skilled immigrants, exploitation does occur, but as mentioned before, immigration should not be lessened, instead measures should be put in place to protect the workers. Fair treatment and payment, as well as decent working conditions should be guaranteed to all less-skilled and high-skilled workers. Additionally, Zlolniski describes how immigrants have worked with community leaders in order to form unions to protect some of their rights. In fact, community activism has been strong within the less-skilled immigrant communities, who have worked together to secure their place amongst the high-skilled, technology focused region.

In addition to employment within the high-tech industries, immigrants are also important due to the establishment of businesses that more directly help the local economy. Within areas with a high concentration of people from a certain country often comes the establishment of businesses catering to the community. Often these businesses include food stalls and restaurants, grocery markets, entertainment stores, language schools, religious organizations, and businesses such as dentists which cater to a certain immigrant community. These businesses help the local economy through taxes and job creation. Throughout Silicon Valley there are immigrant owned small businesses, including major shopping centers that almost exclusively cater to certain ethnic

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<sup>28</sup> Zlolniski, Christian, *Janitors, Street Vendors, and Activists*, 26.

<sup>29</sup> Zlolniski, Christian, *Janitors, Street Vendors, and Activists*, 8.

demographics. Yet these businesses are not only Laundromats and grocery stores, as Hyde writes, “Asian networks also dominate aspects of high technology that do not require particular scientific or technical expertise, and might otherwise represent opportunities for other groups, such as distributing computers to retailers.”<sup>30</sup> This illustrates that immigrants have moved beyond the traditional markets and into other businesses, which also help the economy.

A second form of ‘employment’ is found in Silicon Valley, as well as most other metropolitan areas, and is heavily concentrated in immigrant communities. Many within the immigrant communities in Silicon Valley work in the ‘informal economy’. The informal economy refers to work that is not controlled by the state or local governments, but does in fact generate income for many individuals. These jobs within the informal economy include selling premade food, selling homemade meals, childcare, and other occupations that operate independent of government control. Although these types of jobs do not directly help the local economy, due to the fact that they cannot be taxed or regulated, these jobs are important for generating income for many families, which makes its way into the local economy through spending, rent, and other ways. Zolniski describes why these occur within less-skilled communities, writing that “informal economic activities are not merely a set of survival strategies undertaken by unskilled immigrants disconnected from Silicon Valley’s formal economy...many immigrants use them to supplement the wages they earn in low-skilled jobs in the formal sector.”<sup>31</sup> This shows how the informal economy is important to those without work, which is better economically than having people not work, and how it is often a second job for people who are already employed.

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<sup>30</sup> Hyde, Alan, *Working in Silicon Valley*, 223.

<sup>31</sup> Zolniski, Christian, *Janitors, Street Vendors, and Activists*, 75.

Silicon Valley remains a relatively unique case when it comes to the immigration debate due to its persistence in hiring foreign workers. Additionally, Silicon Valley has remained on the forefront of the immigration reform debate due to its increased lobbying for changes regarding the number of migrants let in. Because such a large portion of Silicon Valley's workforce is foreign, Silicon Valley has a vested interest in increasing immigration, at least for those that are high-skilled and high-tech. This phenomenon is important because it represents an instance in which employers are actually fighting for an increase in immigration at the national level. As reported in an article by Jon Fortt of CNBC, American tech CEOs have been very active in trying to increase the number of H1-B visas allotted to foreign workers in the United States. This is because many of the workers they are trying to hire come from foreign countries. The demand for these visas is illustrated by Fortt, who writes that Silicon Valley companies petitioned for 124,000 visas when there were only 85,000 available.<sup>32</sup> This indicates that a reform is in fact necessary, because companies need the visas to hire the best workers, who in turn can help out the economy. In addition to the lack of visas, another issue with the current immigration system is that the H1-B visa allows for immigrants to stay for up to 6 years. The issue with this is that when those six years are over, people often return home taking with them the skills needed for the company, and it increases global competition. Instead, measures should be put in place to allow immigrants a fast-track to citizenship so that they have an incentive to stay in the United States and keep the skilled labor at the companies. Additionally, these same rights should be guaranteed to less-skilled immigrants and refugees, as they too perform essential work for the economy.

Of course when it comes to the debate regarding immigration reform, there are many who oppose it for various reasons. One of the most common reasons stated is that the immigrants are

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<sup>32</sup> Fortt, Jon, CNBC.

‘stealing the jobs from Americans’. This argument is always brought up when talking about immigration, but is especially prevalent when talking about high-tech immigrants, since they make up such a large population of high-tech workers. This argument is often countered by companies who insist that they are looking for the best of the best in each of the fields, whether those individuals come from Denmark, India, Japan, Nigeria, or the United States. Additionally, in many cases, Americans are not as qualified as their foreign counterparts. Most Silicon Valley companies will not admit this and instead claim that there is a shortage of majors needed to fulfill the demand, as described in an article by Walter Hickey. This is however not the case, as seen in a report published by the Economic Policy Institute which shows that there a lot of STEM majors in the United States.<sup>33</sup> As Hickey writes, there is a shortage of workers who meet the requirements, and who are willing to work for the wages that Silicon Valley wants. Also in the article, he points to the fact that not all of the institutions are equal, and that many of the students receiving degrees from American universities and doing extremely well, are immigrants.<sup>34</sup> This illustrates the fact that immigrants possess the skills and talents that companies in Silicon Valley are looking for, and that immigrants should not be kept out of the job market just to appease American graduates. In short, the jobs should go to qualified workers regardless of nationality, and no one should be prevented from a job due to one’s own background. This not to say that less Americans should be hired; it just means that everyone should have the same opportunity for a job regardless of background.

A second issue brought up by those against an increase in immigrant labor in Silicon Valley is that the foreign workers are exploited by an industry looking to keep costs low. This debate is captured in an article by Ben Popper, which describes two opposing sides making and

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<sup>33</sup> Salzman, Hal, Kuehn, Daniel, and Lowell, B. Lindsay, *Economic Policy Institute*.

<sup>34</sup>Hickey, Walter, *Business Insider*.



refuting claims about the employment of immigrants. Many of the claims, such as the one about workers being exploited, are refuted as not being true. According to a Brookings Institute Study, immigrants generally earned 26 percent more than American workers.<sup>35</sup> The article does point out that American middle class tech workers, as well as some foreign workers do in fact lose out, but that does not mean that immigration should be decreased.<sup>36</sup> And to address the issue of exploitation, companies should by no means exploit the workers through overworking or underpaying. Once employed, there should be measures instated that offer equal protections for all workers, and this is an issue related to employment in the United States, not about whether or not immigration should be restricted.. Immigrants of all levels and categories are important for the development of economies in different countries. As seen in this paper, both high-skilled and low-skilled immigrants play an important role in national and local economies, in this case, Silicon Valley. Although immigration is important, there has been a lot of debate surrounding policies regarding the movement of people from one country to another, including legal issues such as visas, but ultimately, immigration is a positive force. Silicon Valley represents an important phenomenon in which immigrants of all levels, especially high-skilled immigrants, have largely developed the local economy and society and are a necessity for the region. Additionally, their presence is so highly valued by the region that employers have tried to alter policies to allow more people in. Silicon Valley serves as a model of the importance of immigration, and hopefully soon the rest of the world will alter immigration policies in order to create a more globally cohesive world. However, it is not the only region in the world that heavily relies on an important immigrant workforce, another place is Dubai.

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<sup>35</sup> Rothwell, Jonathan and Ruiz, Neil G., *Brookings Institution*.

<sup>36</sup> Popper, Ben, *The Verge*.

## Dubai

As mentioned, in addition to Silicon Valley, another region that relies heavily on immigrant or migrant labor is Dubai in the United Arab Emirates. In Dubai, the situation represents one of even more reliance on migrant labor, in fact, if the foreign labor left Dubai, the region would not be able to function. As with Silicon Valley, the area has been positively affected by large-scale immigration however it does differ significantly in terms of its immigration policies which will be discussed in detail later. Although both places encourage immigration, Dubai's approach to migration and citizenship are quite different than that of Silicon Valley's. However it is important to note that the situation within Dubai and the other Gulf countries is similar to that of Silicon Valley's, however immigration experiences differ greatly. The Gulf Countries of Saudi Arabia, Kuwait, Bahrain, Qatar, Oman, and the United Arab Emirates rely substantially on foreign labor in order for the countries to run. Much of the construction, housekeeping, and child-rearing industries are made up almost entirely of foreign labor. These migrants provide an essential component of the workforce for the countries. Citizenship is one major issue that affects the foreign migrant population in countries across the Gulf region. In many of the Gulf countries, foreigners have no chance of ever becoming a citizen of the country in which they live in. Another issue that faces the migrant workers in Gulf countries, which migrants in other countries face as well, is the lack of basic human rights that are afforded these workers. The issue of rights for foreign less-skilled workers is one that involves input from a number of different sources including a number of international rights organizations, in addition to input from other countries.

It is first important to identify the area of focus. Dubai itself is the largest city in the United Arab Emirates, a country on the Arabian Peninsula bordering Oman and Saudi Arabia. As of early 2013, Dubai's population stood at just over 2.1 million<sup>37</sup> and includes a very diverse population representing many different countries around the world. Although it started out as a small desert city, with little international importance, today it is one of the leading global cities for business and immigration. The region is host to many multinational companies representing a number of different industries everything from banking to tourism. As a result, Dubai attracts many tourists and workers from all over the world, attracted by the prospect of jobs, wealth, and a playground for the wealthy. As a result of these factors, Dubai has grown to the status of a global city and thriving international community, requiring work to be performed at all levels. Because the native Emiratis make up such a small proportion of their country, virtually the entire workforce needs to come from abroad. Additionally, as with Silicon Valley, this area is associated with extreme wealth, but much of the population of the city is not very wealthy, with many of the foreign residents remaining quite poor. And according to a 2012 study by UBS the Swiss financial services company, the cost of living is rising immensely. Dubai was the twenty second most expensive city in the world, yet it did have one of the highest wages, and stood at thirty third in the world, with an average pay of 16.20 an hour in US dollars.<sup>38</sup>

As discussed, just as with Silicon Valley, immigrants make up a substantial proportion of the workers and they play a very important role in the economy. Despite the similarities in the population and importance of the immigrants, those in Dubai face a very different life from those in Silicon Valley. These differences range from the non-possibility of citizenship, to human

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<sup>37</sup> Nereim, Vivian, *Population of Dubai rises 5 per cent to 2.1 million*.

<sup>38</sup> Barnard, Lucy, *Cost of Living in Dubai Rising Rapidly*.

rights abuses in the workplace, to the fact that these immigrants are mostly laborers and other less-skilled migrants as opposed to the highly educated and mobile Silicon Valley workers.

In Dubai as in Silicon Valley, there is a demand for all types of labor, from highly specialized skills to less skilled workers. In Dubai, the economy runs on these migrants and the work they perform, because without these migrants the economy would not be able to run as efficiently and effectively as it does.

It is also necessary to understand who the immigrants are in the case of Dubai and where they come from. As with Silicon Valley's workforce, it truly is a global workforce representing groups from all six of the populated continents, as well as numerous countries. Countries with sizable populations established include those from: India, Pakistan, Bangladesh, Nepal, Sri Lanka, Afghanistan, Indonesia, the Philippines, China, South Korea, Syria, Lebanon, Jordan, Iraq, other Gulf Countries including Saudi Arabia, Turkey, Iran, Egypt, Morocco, Ethiopia, Thailand, Nigeria, Kenya, Cameroon, South Africa, the United Kingdom, the United States, Russia, Poland, Uzbekistan, France, and many more countries all around the world. Populations from these countries represent all levels of the labor force, from CEO's and financial planners to construction staff and nannies. Members of these communities represent all income levels with millionaires to those who make very little to live off in Dubai. It is important to note that often people from the western countries tend to be found in the higher paying positions and occupy the higher income levels, although some migrants from Asian and Middle Eastern countries are also found amongst these positions. Many of the Asian immigrants are found amongst the lower level jobs including housekeeping, and construction work and make very little, sending much of it back to their country of origin. Just as with Silicon Valley, there are two main reasons for why people move to Dubai. The first is the same as that of Silicon Valley, in which Dubai recruits and

attracts workers across all levels to come and perform the much needed labor. There is a demand in Dubai for both high-skilled and less-skilled labor which they seek outside of their borders. Dubai works to attract highly skilled foreign workers for the various industries including banking and development, as it needs this group to be productive. When it comes to less-skilled labor, Dubai does not need to do as much advertising, as many around the world seek to migrate to Dubai for work, due to the potential financial earnings offered. Essentially, the rest of the world supplies the demand for labor, allowing the region to continue grow, and the native population to benefit from this. Both types of labor migration are essential to the economy and to the region overall. The second reason is due to the fact that Dubai remains a land of promise for many people. The promise of freedoms, the promise of work, and the promise of good wages lead thousands to leave for Dubai. Due to this fact, Dubai has continued to grow in terms of its foreign born workforce.

To put it into perspective, foreign workers in Dubai and the United Arab Emirates as a whole make up a majority of the population. According to a 2013 United Nations study, there were 7.8 million foreign workers in the United Arab Emirates, representing almost eighty five percent of the country's total population.<sup>39</sup> Most of these migrants work in Dubai, or other major cities such as Abu Dhabi. These figures illustrate just how important foreign workers are to Dubai, and the United Arab Emirates as a whole, as the country would not be able to function without these workers. These workers have been instrumental in providing the labor and skills needed in sectors of society in which there is a lack of either skill or labor amongst the native population. This is quite similar to that of Silicon Valley, and especially the United States as a whole, however the United States is not as dependent on skilled labor. In terms of the United States, the less skilled labor is necessary in order to perform numerous jobs that the local

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<sup>39</sup> Malit, Froilan T. and Al Youha Ali, *Labor Migration in the United Arab Emirates: Challenges and Responses*.

population generally will not perform, and in many cases, such as Silicon Valley, specialized labor is necessary for certain industries and positions.

Besides the large percent of the workforce that is foreign born, these immigrants also greatly help out Dubai's economy through entrepreneurship. Similar to the situation in Silicon Valley, entrepreneurship in Dubai is largely established by expatriates or immigrants. The businesses established by the immigrant groups greatly affect the local economy, as it leads to investment and money flowing in from other countries, taxes which go directly into the local economy, job creation for a local and foreign born population, and the resulting incomes which are largely spent within the local economy. Despite a number of issues that immigrant entrepreneurs face when trying to establish a business in the country, immigrants still make up a majority of entrepreneurs. As described in a report by the Journal of Developmental Entrepreneurship, issues that face immigrants when establishing businesses include lack of skills and knowledge of how to start a business and visa issues, for less-skilled immigrants, and issues related to the lack of permanent residency and legal rights facing higher income immigrants.<sup>40</sup> Due to these issues, largely as a result of local policies, entrepreneurship remains much lower than it could potentially be which in turn negatively affects the economy. Nonetheless, it is immigrants who are most often the entrepreneurs, which in turn does help out the local economy overall. According to the same report, just under seventy four percent of all entrepreneurs are immigrants, with the largest number coming from non Gulf Council Countries (GGC) Arab countries, largely Egyptian, Syrian, Jordanian, and Lebanese, at 48.4 percent. The next largest group was Asian entrepreneurs from countries such as India, Pakistan, and the Philippines at 20.7 percent, and the remaining 4 percent was that of Westerners from Europe and North

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<sup>40</sup> Tong, Qingxia, McCrohan, Declan, and Erogul, Murat Sakir, *An Analysis of Entrepreneurship Across Five Major Nationality Groups in the United Arab Emirates*.

America and other GCC nationalities, such as Saudis.<sup>41</sup> These figures highlight the position of immigrants as essential to the economy, and instrumental in entrepreneurship, something Dubai will have to focus on in order to continue its growth as an economy.

As is the case in many countries, the use of labor from other countries generally provides an advantage in allowing companies to compete on the global level. In Dubai, this is the case, but it is unique in the fact that it is a necessity. As discussed before, Dubai's economy runs on foreign labor and without this labor, Dubai would not be able to run as effectively, but would lose its place in the global market. In short, foreign workers in Dubai provide a great advantage for Dubai and the United Arab Emirates as a whole. An article by Gulf News breaks down the actual monetary benefits of using foreign labor both high-skilled and less-skilled workers. The report indicates that the cost of a skilled worker is about 129,302 Dh, which is dirham, the official currency of the United Arab Emirates, while it is 18.925 Dh for an unskilled worker. This not only illustrates the low costs of using foreign labor, but also indicates the huge wage gap between 'skilled' and 'unskilled' labor. In the article, it is suggested that "the competitiveness of the UAE economy be 'linked strongly' to using cheap and unskilled workers."<sup>42</sup> This highlights the importance of especially less-skilled migrants within Dubai's society and economy and how the migrants have allowed for Dubai become a competitive and important economy amongst the other global economies.

In addition to entrepreneurship, skilled immigrants also serve to fill the voids within Dubai's various industries. Many of Dubai's current industries need labor to fill the gaps where the local population cannot, and this labor comes from abroad. One of the main reasons why Dubai needs skilled labor is due to the fact that the economy is changing. As the economy of

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<sup>41</sup> Tong, Qingxia, McCrohan, Declan, and Erogul, Murat Sakir, *An Analysis of Entrepreneurship Across Five Major Nationality Groups in the United Arab Emirates*, 10.

<sup>42</sup> Kamel Yusuf, Deena, *Hiring Foreign Workers Still an Advantage*.

Dubai grows there is an increased need for skilled labor to fill voids in certain labor fields. This changing economy will yield numerous benefits for the country as a whole, so it is imperative that Dubai seeks out the labor it needs in order to successfully change its economy. As described in a presentation by the Director of the Institute for Social and Economic Research at Zayed University, the economy of Dubai is moving towards a more “knowledge-based economy”, and will require a large number of skilled workers, and reordering of the labor market. Because the local population is quite small and does not meet all of the needs for various positions, immigrants are needed. One of the benefits of this shift labor includes the larger productivity associated with this economy and the large number of skilled migrants. In the same report, it states that a skilled worker yields about 500,000 Dh in terms of productivity, with labor costs of only 144,000 Dh.<sup>43</sup> This indicates the importance of shifting the labor market towards one based more on skilled labor. Overall, there will be numerous benefits from using immigrant workers in order to run the local economy. However, this is not to say that less-skilled labor is less needed or less important, it is to indicate the need for skilled foreign workers in particular.

As mentioned, for most of its history, Dubai has needed a labor force in order for its own economy and infrastructure to grow; however, Dubai is not alone in its quest for foreign workers in order to grow. Dubai and the United Arab Emirates as a whole is part of the greater Gulf region which consists of other growing, wealthy, economies that rely on foreign labor across all sectors. Other countries include Kuwait, Oman, Bahrain, Qatar, and Saudi Arabia. Each one of these countries has a large, generally majority, foreign-born population which performs the much needed labor. Due to the high demand for labor in each country, as well as the large number of people hoping to enter into the various countries to work there, there is generally little issue between countries when it comes to less-skilled migrants, but an article written in Arabian

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<sup>43</sup> Kamel Yusuf, Deena, *Hiring Foreign Workers Still an Advantage*.



Business highlights the competition for skilled workers. This serves as example not only of the fact that there is a constant demand or necessity for foreign labor all of types, but highlights an instance in which countries are jostling to attract the workers. In this instance, both Qatar and the United Arab Emirates are fighting to attract skilled workers, both local and foreign, to help on upcoming projects in each of the countries. This article also highlights an important fact that the United Arab Emirates is up against many other countries, in addition to fellow Gulf countries, in attracting and retaining skilled workers. As described, “for the Emirate to continue its growth and develop as a global business hub it is important for organisations to retain their staff through innovative and creative ways that nurture and develop talent.”<sup>44</sup> This describes the situation in which the United Arab Emirates is facing a number of challenges in competing on the world stage. This however can be alleviated by hiring skilled foreign workers who can allow Dubai to grow and develop within the world market.

Like Silicon Valley, Dubai is unique case due its large scale hiring of foreign workers to perform jobs across all industries. Another reason why it is so unique, and how it differs from Silicon Valley as the visa system in how immigrants can come to the United Arab Emirates and the legal status of citizenship. Despite having a reliance on immigrants in order for the country to run, the United Arab Emirates migration and citizenship laws remain harsh and restrictive. This exactly contrasts that of Silicon Valley in which companies are actually lobbying for the creation of more visas for foreign workers, and they are allowed eventual citizenship if they choose. In order to understand Dubai’s position within the study of immigration, it is necessary to look at both how the immigrants come to Dubai, and their prospects of citizenship, or lack thereof. First, it is important to understand the immigration system in Dubai. Dubai, like all of the GCC states,

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<sup>44</sup> Trenwith, Courtney, *UAE, Qatar Set for Fight Over Skilled Workers*.

follows the kafala system for immigration. The kafala system refers to a system in which immigrants are brought to a country through a sponsor. The sponsor, referred to as a kafeel, can be either a citizen of Dubai, or any of the other countries, or through a company. These kafeels are responsible for bringing the immigrants into the country, their visa, legal status, and responsible for their welfare within the country. This removes the immigrants from being under state control. The kafala system is a contract describing everything related to the work and obliges them to work for about two years and sets a pay level. As Andrew M. Gardner writes in his book, these contracts “oblige the sponsors to pay a certain rate, to cover travel costs, to provide a vacation period, and so forth.”<sup>45</sup> As result of these contracts the workers are at the mercy of their employers, which has lead to numerous issues relating to workers rights and human rights. Due to these issues there have been calls from the global community, as well as the local governments to ban or reform the current migration system. However there are issues surrounding changing the laws that need to be addressed. As Kamrava and Babar describe, “abolishing or reforming worker-sponsorship laws, along with other targeted regional policy initiatives, largely ignore the root causes and consequences of regional labor and focus instead on advancing strategic improvements for its effective management by the host countries.”<sup>46</sup> This illustrates how despite the issue of the kafala system being noted by regional officials, which is a positive thing, ultimately the focus is normally placed on advancing the country’s interests and disregarding the issue. However, more countries are beginning to seriously consider getting rid of the system. This system of sponsorship is not only applied to individuals coming to Dubai to work, it is also applied to businesses. If a foreigner wants to start up a business in Dubai, they must enter into a partnership with a local Emirati business partner who retains fifty one percent

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<sup>45</sup> Gardner, Andrew M., *City of Strangers*, 29.

<sup>46</sup> Kamrava, Mehran and Babar, Zahra, *Migrant Labor in the Persian Gulf*, 11.

of the business. And although the local partner does retain more profits than of the foreigners, the company often pays a fee every year to the local partner.<sup>47</sup> This highlights an issue in which foreign companies and businesses cannot set up without local partnership, which in turn can cause issues surrounding starting up a company and can lead to foreign entrepreneurs deciding to look elsewhere.

In addition to the unique kafala system, Dubai is also unique and very different from Silicon Valley when it comes to citizenship of the immigrant workers. Immigrants to Dubai cannot become citizens, no matter how long they have lived in Dubai or even if they were born in Dubai. Despite making up a majority of the population and being essential to the day to day operations of the region, the foreigners will forever be noncitizens, excluding them from an identity and class of people, the locals. In many ways they are ‘citizens’ of Dubai as they work, live, and grow up in Dubai, and establish communities and ties to the land, however they are not viewed as legal citizens of the land. In her book, Vora describes in detail the issues surrounding citizenship in Dubai and writes that “while their legal status places them squarely outside of the Emirati nation, Indians in Dubai are integral to the functioning of Dubai’s liberalized and globalized market forms –they are, therefore, impossible citizens.”<sup>48</sup> This point by Vora shows the exact issue that faces immigrants in Dubai, as they are integral to the region, but outside of the society due to legal status. One of the main reasons why this is an issue is that because immigrants are not citizens, they have to be linked or connected to their employer in order to remain in Dubai. This can create issues when a worker is fired or an employer severs ties with them, which means they will then have to leave Dubai or live undocumented. Another issue affects those who no longer work, including those who have retired, in which they can no longer

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<sup>47</sup> Rodriguez, Andres, *The Kafala System in the GCC*.

<sup>48</sup> Vora, Neha, *Impossible Citizens*, 3.

live in Dubai either as they no longer have a sponsor. However there is an ongoing debate over whether or not to give citizenship to foreigners. Many cite the benefits that can be received by the economy and society by allowing foreigners to become citizens. In an article written in the *Gulf News*, the support behind giving immigrants citizenship is discussed, with references to countries such as the United States and Saudi Arabia. The points being that giving citizenship to immigrants will help the economy. The article does however highlight some of the opposition to giving immigrants citizenship, citing loss of the native identity as one of the major issues. However it does seem, as pointed in the article discussing a 2010 plan to offer citizenship to foreigners, that citizenship for immigrants might soon become a reality.<sup>49</sup> Until that becomes reality, immigrants will have to continue to live and work in a country knowing that they can never become citizens and will eventually have to return home.

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<sup>49</sup> Al Qassemi, Sultan Sooud, *Give Expats an Opportunity to Earn UAE Citizenship*.

### Identity and Community Formation

It is important to look at identity and community formation when talking about Dubai, as it is essential to the understanding of immigrants within Dubai, especially due to legal restrictions placed in the immigrants. Because Dubai has such strict laws regarding citizenship, which equals belonging, immigrants have to create their own sense of identity and community. This is quite different from Silicon Valley where immigrants have the option of citizenship and often become very involved within the wider community. Of course in both regions, immigrant groups do tend to form communities and identities centered around national origin, language, and personal interest, however in the case of Dubai, it is much more important. In order to understand community and identity formation in Dubai, it is necessary to look at number of communities and social groups that are present within Dubai. In particular, looking at the Indian community and its idea of 'Indianness', the diverse sex worker community, and the networks that are established transnationally, linking communities to their homelands. By looking at these communities, Dubai's society, as well as immigration as a whole, can be better understood.

The first social group is the numerous Indian immigrants within Dubai. Comprising the largest national group, including that of the Emiratis, Indians are a very integral part of Dubai's society. The Indian community is essential to Dubai's functionality and can be found across all income levels and professions. Additionally, the Indian community represents a diverse population of different class levels, languages, and religions. What links this diverse group is a connection to the homeland of India, and it is this idea of 'Indianness' in Dubai that allows for the creation of a community within Dubai. One of the main reasons for the creation of the Indian

community and sense of ‘Indianess’ is due to large number of Indian migrants centered in certain neighborhoods in Dubai. Dubai itself represents a unique instance in which an immigrant group does not necessarily form an ethnic enclave such as Chinatowns found throughout the world, instead, the Indian population is so numerous, and it is spread throughout the city. For many immigrants, it has allowed for the creation of an Indian identity, one that is centered on the idea that it is a part of India. As Neha Vora describes in her book, “even though Emirati national identity and citizenship were inaccessible to them, it was the access that Indians had to cultural and social resources in Dubai and the sheer number of South Asians in the city that made moving there seem less like international migration and more like being in another part of India.”<sup>50</sup> This is important as it highlights two important factors in identity formation. First, it shows how cultural and social resources are important for connecting a community and providing support. Second, it shows how for many, Dubai is essentially India. This creates the belief that one is essentially at home, despite never being allowed to become a citizen. It also allows the Indian immigrants to view themselves as more or less within their own land, rather than feeling like a complete outsider. This identity is quite unique to Dubai, as mentioned before, because of the sizable immigrant population. In other locations such as Silicon Valley, there are neighborhoods filled largely with certain immigrant communities, such as South Indian enclaves or Taiwanese enclaves with grocery stores, temples, and other amenities, however, these neighborhoods tend to still be mixed, therefore making it harder to feel as part of the home country. In this way, Silicon Valley and Dubai are similar in terms of diverse immigrant enclaves; however, the belief of an extension of the home country is unique to Dubai. Despite feeling like an extension of India, Dubai also remains a site of a hybrid identity, more similar to that of Silicon Valley. These identities are similar to the types of identities formed within Western countries such as Chinese

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<sup>50</sup> Vora, Neha, *Impossible Citizens*, 71.

American or British Indian. Also described by Vora, Dubai represented a “hybrid space for the production and performance of new identifications. Life in Dubai enabled diasporic affects and solidarities that were similar to those of Western South Asian diaspora groups, but Dubai Indians articulated a vast divide between themselves and other overseas Indians.”<sup>51</sup> This illustrates how Indians within Dubai are able to create a new, hybrid identity mixing their own Indian identity with that of the cosmopolitan region of Dubai. This model is what is often seen and thought of when discussing immigrant identities, including identity and community formation in Silicon Valley. This also shows how Dubai Indians see themselves as different from other Indian diasporic groups, which is important because it highlights the community’s uniqueness within Dubai and from the larger Indian diaspora. All of these indicate that Indian community and identity formation are not fixed; they are instead fluid, changing and varying from group to group and across time periods.

Continuing with this idea of immigrant, especially Indian, community and identity formation is that of connections and networks back to the homeland. In addition to the feeling of living in India within Dubai due to the amenities and community, migrants also navigate their identities and communities through connections to the homeland. For many migrants, remaining connected to the homeland not only helps in establishing communities, but serves the practical function of retaining transnational ties, as many immigrants feel that they either might return one day, or still have family and friends within their homeland. This phenomenon is not unique to Dubai, as connections to the homeland are also very important for immigrant groups all around the world, especially in Silicon Valley, where many immigrants regularly visit their homeland, and even have property and investments abroad. What is unique to Dubai is that a connection to the homeland is actually essential. For most immigrants in Dubai, their residency in Dubai is tied

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<sup>51</sup> Vora, Neha, *Impossible Citizens*, 82.

to their employment and sponsorship through the kalafa system, as discussed earlier. As a result, they will one day have to return once their employment is up. So in this case, the connection to the homeland is not only important for the formation of an identity and community, but is essential for planning for their futures. There are many ways in which immigrants in Dubai remain connected to their homeland, including sending money back to friends and family, as well as traveling back to their home country, and interacting with members from their home countries. An important way in which immigrants create their identity is through networks with immigrants from the same home country. An example of this is described by Caroline and Filippo Osella in a book about labor migration in the Gulf. They describe an instance in which an apartment complex in Dubai where many people from the same region live together and who “found comfort and convenience in co-residence” which “attracted others from the same neighborhood, who also appreciated the shared cooking of favorite “home” foods, being able to share and discuss news from back home, and having constant easy access to communication.”<sup>52</sup> This illustrates how networks with other members of the community allowed for important connection to the home country and allowed the immigrants to communicate with those who left more recently. This is especially important as it allows the immigrants to contrast a transitional identity that serves the important purpose of allowing for belonging to two places simultaneously. This is something that most immigrant groups do, in order to remain connected to culture and for the possibility of returning, which for immigrants in Dubai is almost certain eventually. Another way in which immigrants use transnational networks is to connect more directly to those in the home country, which can be very important in retaining ties. Also described in the same section is the use of fellow migrants as couriers. The Osellas describe how it is “usual practice to avoid the Indian postal system and for letters, cash, and small gifts to

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<sup>52</sup> Kamrava, Mehran and Babar, Zahra, *Migrant Labor in the Persian Gulf*, 119.



be sent home by means of other traveling migrants; living among home town folks makes for an uninterrupted and easy line of transit.”<sup>53</sup> This example further illustrates how migrant connections are important not just for intangible reasons such as familial and cultural connections, but are also important for tangible reasons. By using fellow migrants to deliver objects to the homeland, it allows for not only a bypass of an added expenditure, but serve to strengthen ties within the community and allow for greater communication. In sum, transnational connections are integral part of community formation for immigrants living within Dubai.

A third important group to look at is not a particular national group, rather it is a ‘community’ formed around a particular form of work that is largely on the underground which is sex work. The sex worker community within Dubai is quite unique in that it is a very diverse industry with women from all different countries both by choice, as well a result of human trafficking, a very serious global issue, especially in Dubai. Additionally the clients are very international with very little local Emirati men frequenting sex workers. By looking at sex workers in Dubai, community and identity formation can be understood, especially within such a unique context. Within the sex worker ‘community’ there is a high degree of personal identity formation, as well as group formation, largely around similar national origins. As mentioned, one of the reasons Dubai is so unique is due to the high volume of sex work within the region, and the diversity of the individuals involved. Many of the sex workers in Dubai have a similar story of why they came to be engaged in sex work. Many came, lured by the large amounts of money they believed they would receive, while many others started off as nannies and housekeepers, before switching to sex work for better pay. This however is not the only unifying factor amongst sex workers in Dubai, many sex workers in Dubai came for the freedoms offered. For many women, sex work in Dubai allowed them to develop their own identity as independent

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<sup>53</sup> Kamrava, Mehran and Babar, Zahra, *Migrant Labor in the Persian Gulf*, 119.

working women and freedom from familial, cultural, or societal restraints. The lives of sex workers are documented in a book by Pardis Mahdavi who conducts interviews and ethnographic research in order to highlight this segment of society often overlooked. In one interview Mahdavi talks to one woman who explained that sex work is “easy work, easy money, and I get to feel like a princess for a month every now and then. And they are great. I get to leave Iran, breathe freely [referring to the fact that in Dubai women are now required to wear Islamic dress or obey Islamic moral laws], and it’s like a change for me. I like it.”<sup>54</sup> The quote by this woman captures commonly held beliefs regarding the feeling of freedom and pampering. This also shows how many sex workers develop a new identity while in Dubai, one that is linked to freedom from the constraints they formerly had, and although the identities developed are unique to each individual, they are quite similar throughout the population. Another type of identity and community formation that occurs amongst sex workers is along the lines of national origin and skin color. Much of the sex work is segregated due to national origin, however this is not unique to sex work, as a lot of labor in Dubai is semi-segregated, and inequalities are found throughout all levels of society and professions. Due to these societal and community imposed segregations, women from different nationalities are literally forced into certain spaces which leads to community formation amongst women from certain countries and discrimination against and alienation of women from other countries. Each group tends to have a view, often negative, of the other which reinforces these identities. As described by Mahdavi, “demand for sex work in Dubai, as elsewhere, is stratified according to migrants’ perceived skin color and national origin. Women from Iran, Morocco, and some parts of Eastern Europe (described as lighter skinned and labeled as white) command the highest price, and thus inevitably work in the higher-paid, more comfortable environments... women from East Asia, the Philippines, India and Pakistan

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<sup>54</sup>Mahdavi, Parvis, *Gridlocked*, 74.

(perceived as brown) form a middle tier (based on earnings) and often work in lower-end bars and clubs...finally women from Africa (especially sub-Saharan and East African and perceived as black) are still conspicuously overrepresented in the poorest and most dangerous sectors of the trade, namely in street work.”<sup>55</sup> This explanation of the tiered sex worker industry illustrates how women, whether or not they choose to, must develop certain identities that limit them to certain public spaces. In total, sex work in Dubai represents an instance in which many sex workers develop their own identities both through choice and due to social constraints. However, it also represents the divide found within Dubai that categorizes and differentiates between people of different backgrounds, which leads to a divided society overall.

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<sup>55</sup> Mahdavi, Parvis, *Gridlocked*, 81.

## Comparison

As discussed in detail, both Silicon Valley and Dubai represent important sites for understanding the importance of immigration. As illustrated, both of these regions have a number of similarities and differences, but the most important aspect they have in common is that they represent places that are dependent on immigration in order for their economies and societies to function. They represent important examples of why immigration is so important and necessary especially in this time. As discussed earlier, both regions have workforces largely made up of foreign workers that contribute to the local economy and society. These immigrants settle in the respective regions and establish identities and communities and set up ethnic enclaves and businesses catering to the needs of the community. These in turn help out economically by creating commerce and money which flows into the local economy, but they also enhance the local culture, giving the regions distinctively cosmopolitan atmospheres. In both regions, immigrants are important entrepreneurs that lead to economic growth for the region and especially job creation. Additionally, immigrant workers fill in all the labor gaps within each region from CEO's and managers to construction workers, nannies, and janitorial staff. As mentioned, these regions are dependent on this immigrant labor; however the treatment of immigrants, in terms of their migration and legal issues, as well as discrimination within society reflects issues within the immigration phenomenon. When it comes to migration and settlement, the two regions differ greatly. In Silicon Valley, the various high-tech companies are aware of their dependence on immigrant workers and entrepreneurs so they are working lobbying within the government and working towards increasing the amount of workers who can enter the

country and work. This is important as it represents an instance in which a region is fighting for immigrants to be allowed to come and settle in the region providing the much needed skills. It is especially important as it can serve as a model for other regions, such as Dubai which also depends on immigrant labor, who can implement the same policies towards encouraging and assisting in allowing more immigrants into the region. Although Dubai differs from this model of migration significantly, as mentioned earlier, there are those within Dubai who are looking towards increasing the number of especially, skilled workers, which it needs in order to remain an important economy within the global market. Dubai on the other hand, despite depending on immigration for both highly skilled and less skilled workers, continues with a system that significantly disadvantages the workers. The kafala system, as discussed in detail earlier, sets immigrants, as well businesses started by immigrants, up to be in the hands of the local employers. This visa system is not only completely different than that of Silicon Valley's, but is inefficient as it can drive away potential businesses and skilled workers, something Dubai needs as it develops its economy. Along the lines of citizenship, Dubai and Silicon Valley differ completely. As mentioned, in Silicon Valley, due to United States laws, eventual citizenship is completely attainable, even encouraged for immigrants, especially amongst those who are highly skilled and specialized within the technology field. This completely contrasts Dubai where citizenship is not an option for immigrants from any nationality, income level, or profession including those born within United Arab Emirates territory. The only way an immigrant could ever gain citizenship is through marriage to an Emirati or being born to an Emirati father. This issue in particular can lead to a number of issues including resulting in feelings of alienation and otherness which is why identity and community formation is more important within Dubai. Although community and identity formation along the lines of nationality, profession, and

transnationalism are important aspects of immigration within Silicon Valley, they are not a necessity as they are in Dubai. However, in Silicon Valley many immigrant groups do form small enclaves and create community organizations and businesses that cater to their needs, but it is not the only form of belonging within the region, as is the case in Dubai. In Dubai, community and identity formation are essential as they provide a sense of self and a sense of belonging and community in a society which views them as temporary and outsiders. Although not discussed in detail earlier, Dubai is also different from Silicon Valley due in large part to a much more varied economic center, everything from finance to sex work, Dubai remains more diverse, as opposed to Silicon Valley which is heavily centered around the technology industry. Due to this diversity of industries, it has created a more varied flow of immigration from all different nationalities, income levels, and professionals leading to a diverse regional economy and society.

All of the examples discussed represent the varied experiences of immigration, and their importance to these two regions. Despite being similar in terms of the dependence on foreign labor and having large immigrant populations, Dubai and Silicon Valley ultimately differ in many ways. Silicon Valley's largely industry specific labor, visa systems and employers that fight for the immigrants and hope of citizenship are quite different when compared to the situation in Dubai. In contrast, due to Dubai's much more varied industries, a rigid visa system, and refusal of citizenship, it ultimately stands alone. Despite being very similar regions in terms of being immigrant dependent and consisting of an immigrant workforce, there are so many differences that these regions are not as similar as they would appear.

## Conclusion

As presented throughout this paper, immigration is not only important, it is essential. Immigrants benefit both receiving countries as well as sending countries contributing to growth and development both economically and socially. Immigrants are essential for societies as they perform labor, both highly skilled and less skilled, that is needed for countries. Most countries need either one or both of these types of immigrants in order to perform specialized work such as in Silicon Valley or because the population is not willing to perform a certain type of labor as in Dubai. As seen in the paper, immigrants almost always add to the economy rather than take from it in the form of social services. Immigrants also help fill a gap in countries facing issues such as aging populations, amongst other issues, who need a population to not only, perform labor, but pay into the economy and social services such as Social Security or Medicaid. Additionally, refugees and asylum seekers are also an important part of a society as they to perform m needed labor. As seen in Dubai and Silicon Valley as well as other locations, immigrant entrepreneurship and the establishment of businesses, especially those that cater to the community are very important for the local economy. Even labor not regulated by the governments such as sex work and street vending form important aspects of the informal economy, as they allow for space for jobs as well as a cash flow within the local economy. Industry specific needs are also met by immigrants as seen in section about Silicon Valley, in which immigrants provide the specific skill set or knowledge needed to perform certain labor functions such as developing new forms of technology. It is also important here to reiterate the

fact that immigrants are represented in all segments of labor and society, indicating that immigration is not needed in one specific type of industry.

In addition to the focus on why immigration in itself is important, this paper also highlighted the examples of Dubai and Silicon Valley as two regions dependent on immigrant labor. Within these two regions all aspects from citizenship issues to identity formation to immigrant entrepreneurs were discussed allowing for a better understanding of not only why immigration is important, but immigration as a whole. By looking at both regions, it is clear that despite having some similarities in terms of the makeup of the labor force, these regions differed significantly in major ways. As discussed, the types of labor in each region differed in terms of industries; however, both regions shared the common trait of needing both high-skilled and less-skilled immigrants. Additionally both regions differed significantly in terms of visa systems, in which Silicon Valley employers lobby for more visas to be allotted for immigrants to come, as they recognize the need for these skilled immigrants. While in Dubai, immigrants are forced to migrate under the kafala system, allowing for a number of issues to arise including mistreatment from their employers. This issue has been called to attention of the global audience, who has campaigned for more rights for foreign workers in Dubai. Another issue related to the immigration system within Dubai that was discussed is that of the fact that immigrants in Dubai have no chance of gaining citizenship, another issue that causes problems for immigrants as well as for the local economy as it hurts both human and monetary investment. By looking at these two systems in particular, issues can be addressed and can hopefully lead to a reform current migration systems in Dubai and the Gulf and lead to enhancing other global migrations systems. A last main point within this paper was that of identity and community formation, with emphasis on Dubai. As was seen, identity and community formation in Dubai served important functions



as it gave immigrants a sense of belonging in place in which they are outsiders. Community and identity formation brings together those from similar national or labor backgrounds and allows for the creation of new identities, ones that bring people together and connects them to a homeland, their new country, or a community within the new country. This is important as it illustrates important aspects of the immigration experience and can be used to understand the importance of group formations for immigrants and how they can be used to help out immigrants. All of these various ideas and points ultimately illustrate how immigration is not only a positive phenomenon, but is important for countries all around the world. Additionally, these points also serve to show in what ways both Dubai and Silicon Valley are dependent on immigration for the regions to function. Using these illustrations of effective large scale immigration regions who have greatly benefited from immigration, hopefully more and more countries will adopt models similar to those of these regions and even modify them in order to benefit both their own country as well as the immigrants working within them. Also hopefully, immigration will not be demonized or thought of to have little to no benefits and more individuals, as well as countries will think before drafting up harsh opinions or laws that seek to stifle the flow of people around the world. Slowly we might move into a world where nationality and citizenship matter less and where people are able to move around and continue to create a more unified and culturally diverse world. As J.K. Galbraith brilliantly said “migration is the oldest action against poverty. It selects those who most want help. It is good for the country to which they go; it helps break the equilibrium of poverty in the country from which they come. What is the perversity in the human soul that causes people to resist so obvious a good?”<sup>56</sup> As illustrated by Galbraith, immigration is in fact a very positive, but yet many people do not view it that way and as stated. Even though it stated so clear and concise, this thought is lost on many

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<sup>56</sup> Legrain, Philippe, *Immigrants: Your Country Needs Them*, 1.

people, but hopefully more people will get this message. Until that time, evidence of the positive aspects of immigration will have to continue to be published and brought to the attention of the global population.

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