



LAW

A PLACE TO CALL HOME

As Qatar mulls permanent residency for highly-skilled expats, could new laws boost the oil-state's economy and set a precedent for its GCC neighbours?

TEXT BY SABAH HAIDER

WITH MAMMOTH-SCALE infrastructure, construction and education projects underway, it's clear that Qatar has its heart set on a world-class knowledge economy. On the heels of this ambition, the government is considering granting permanent residency for highly-skilled expats who meet 'pre-determined criteria.'

"There are two main challenges in Qatar – creating job opportunities for Qataris and diversifying the economy, away from oil and gas, into a knowledge economy," says Dr Bassan Fattouh, professor in finance and management for the Middle East at the University of London's School of Oriental and African Studies. "You need to ask if

this move would help meet any of these objectives. This is what the debate should be in Qatar."

Saxo Bank's chief economist, Steen Jakobsen, explains that Qatar's plans to introduce permanent residency for certain expats should be viewed as a natural progression.

"Sometime in the near future you need a handoff between the public and private sector. Basically, you need productivity and private sector jobs to replace the high propensity of public sector jobs," he says. "You need everyone to be more productive, and one way to do that is to allow everyone to establish roots."

But it's a politically sensitive issue. Maintaining a national identity has been a core aspiration of GCC countries, particularly Qatar and the UAE and other countries where locals already make up a minority. Any further threat to population demographics is not taken lightly. One way to achieve that is to emphasise the importance of assimilation.

NOT TO BE CONFUSED

In 2009, foreigners were given the right to buy leasehold and freehold real estate and residential property in 18 areas of Qatar, being developed at the time. Buyers could receive long-term, five-year renewable, residency permits linked to their properties, which would effectively act as their sponsors. Upon completion of the developments in March 2011, Qatar began issuing long-term residence permits for buyers of finished properties.

In 2005, Qatar amended its nationality law, allowing foreigners who have lived in the country for a minimum of 25 years, speak Arabic, and are willing to revoke their current nationality, the right to gain Qatari nationality. The country does not allow dual citizenship.

However, Shahzad Shahbaz, chief executive of Doha-based Qinvest investment bank, says permanent residency has a "very limited bearing" on the future of Qatar and that it's possible to build the aspired knowledge economy with the currency residency stipulations. "Why not? People come here and work. There are lots of countries where you work on a work permit.

"In my opinion it's a positive initiative, but I think it will only have a marginal impact. This is just a facilitation," says Shahbaz.

Ahmed Jaafir, corporate commercial lawyer at Al-Tamimi, Doha, adds that Qatar's plans to offer expats permanent residency should be taken with a grain of salt. "This is only a vision," he says.

If Qatar went ahead and offered permanent residency, it would be unlikely to set a precedent in the UAE or other GCC countries, says Fattouh. "I think they would not follow suit – not only for economic reasons, but for political reasons as well."

Jakobsen says if Qatar does offer permanent residency, it will create an example to follow. "Getting the expats to commit themselves to the region will be a positive for everybody," he says. **GB**