



Analyzing Salary Inequalities In UAE And The Forces Behind Such Inequalities

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1. Introduction

The United Arab Emirates (UAE) is one of the fast-growth economies and has become an international trading, tourism as well as finance hub. Although the economy of this country is still well-to-do, wage gaps continue as troubling issues that seep through different spheres and demography. Those forces are specific to nationality, gender, and the industry as well as education level. The goal set up by this study is to investigate the causes that lie beneath salary disparities in the UAE and to understand what they mean for its labor market, as well as the social fabric (Moshrif, 2022).

1.1 Background

While remuneration imbalances are a global problem, in the UAE they appear to be all the more conspicuous given its labor mix. Expatriates constitute about 88% of the UAE's workforce. A variety of reasons have helped create this diversity which on the one hand feeds into the dynamism of economic growth but also complicates wage distribution. There are frequent wage differences based on nationality, with Arabs often paid more for equivalent roles than Asians. Some improvements have been made towards gender equality, yet a wage gap still exists between men and women (Half, 2022).

1.2 Problem Statement

The UAE has prospered over the years but while moving towards economic growth, the scale of disparities among salaries has proven to be a major concern. Such inequalities not only erode societal harmony, they also bring the long-term economic viability of the country into question. The economic gender wage gap in the UAE is complex, with many reasons intertwined such as nationality, industry, and education levels. An understanding of the behaviors behind these divisions is vital in shaping responsive policies that enhance fairer, more equal pay.

1.3 Objectives

This study pursues the following aims:

- To discover the salary disparity and its nature in UAE.
- To determine which of these extremes might feasibly be explained, by nationalization status, for example, gender, industry, and level of education
- A study exploring the effects of wage inequities in the UAE labor market and at an aggregate national level.
- To recommend policy to decrease wage gaps and level the playing field on pay.

1.4 Research Questions

This study will aim to answer the following research questions:

- How bad is wage inequality in the UAE and for whom?
- What are the factors leading to salary variations in UAE?
- What is the impact of salary inequality on the overall economic and social horizon of the UAE?
- How can policy interventions address wage inequalities and more challenges to equitable compensation in the UAE?

1.5 Significance of the study

The relevance of this research is critical and could change "the socioeconomic landscape" of the UAE. Analyzing salary discrepancies and the root causes of the same offers valuable learnings to various stakeholders including policy makers/leaders in the industry. The results will help in establishing fair standards of compensation, and a hygienic workplace designed to achieve the well-being and job satisfaction that are critical prerequisites for social cohesion, while also ensuring a balanced economy in the UAE.

1.6 Limitations

This study aims to determine the full extent of salary disparities in the UAE, but there are many limitations that you should bear when interested. For one, the study may be limited by a lack of or a weakness in data — especially for companies where salary information is often more opaque such as the private sector. Second, the study mostly looks at wage discrepancies in the formal labor market leaving out gender differences identified mainly within the informal sector. Finally, the study may have not accounted for all of the changes in salary dynamics particularly in rapidly changing industries like technology and finance where practices are constantly evolving.

2. Literature Review

In their article, Rasool and Haider (2020) present a critical analysis of the plight of low wages and exploitation of labor migrants in Gulf countries particularly the UAE. The authors emphasized the fact that the structural economic model in the UAE is created in such a way that the needs of the local population are provided for while the migrant workers employed in the country's economy face systemic oppression even though they represent a considerable part of the workforce. Such migrant employees are usually found working in construction, domestic help, and service industries which always pay lower wages compared to the local employees.

The study also highlights the Kafala system, an employment sponsorship system that ties migrant workers to their employers and restricts their ability to switch workplaces or demand better remunerations. This system combined with no legal employment and feeble defense and enforcement of labor rights furthers wage disparities and perpetuates the culture of exploitation. According to the authors, this shows that systemic problems are well embedded in the region's economic strategies, thus; it is extremely hard to contain wage gaps (Rasool & Haider, 2020).

Patterson et al. (2021) examine the studies on gender differences in the STEM/SET fields in the UAE and explore the existing gender wage discrimination at the system level. In as much as the UAE has adopted policies that encourage women's entrance to education and employment, women practicing STEM/SET still experience numerous problems. The authors included in this meta-analysis only the articles that focus on women in these fields and showed that cultural expectations, employment discrimination, and gender roles are the main barriers to women's career mobility and pay increases.

It is established from the study that women in STEM/SET occupations are more likely to be paid a lesser wage than male counterparts with similar qualifications and experience. This wage differentiation is also accompanied by the few women holding top executive positions in these industries thus continuing to perpetuate the above gender gaps. The authors underscore the importance of policy and intervention to remove such barriers which include the policies and interventions on mentorship, gender transformation in the workplace, and cultural change in eradicating stereotypes that work against women in STEM/SET careers (Patterson, Varadarajan, & Saji Salim, 2021).

Simon et al. (2022) include a more extensive exploration of economic inequalities in the MENA region and in the UAE in particular; the following macros factors are also pointed out regarding wage differences. The research also shows that with the fast-growing economy of the UAE, there has been little improvement in income disparities, especially for the less fortunate and the expatriates. The authors attribute wage differential to the dual labor market structure that is, the labor market is split along the national and ethnic divides.

It also notes that education and employment opportunities also affect those disparities in a way that those in low-paid jobs and those with poor education standards receive even worse treatment. For instance, non-national workers face several problems such as poor education standards and a lack of better learning and professional development hence they are trapped at the lower end of the job market with poor wages. Furthermore, it is imperative to point to the fact that to tackle these inequalities, education restructuring, labor market policies and changes to the social protection systems have to be in place to allow for the distribution of wealth and opportunities more evenly in the UAE (Simon, Snead, & Pathak, 2022).

In his research article, Abdou (2020) took an empirical approach to study the effects of COVID-19 on gender disparities in the Arab labor market for which the UAE was taken into consideration. The pandemic has worsened gender differences in the labor market so much that it has enhanced salary differentiation. Women have been more vulnerable to job losses and wage cuts due to losing their jobs as they are mostly employed in the sectors that have been enormously impacted by the pandemic including hospitality, retail, and healthcare sectors.

It also describes the problems of women with the increased share of work and family responsibilities due to the transition to remote work during the pandemic. This has led to a greater burden and deepening of the gender pay gap with potential long-term implications for women's employment and income in the UAE. According to Abdou, the pandemic has revealed gaps in the labor market and the necessity to enhance policies toward women to increase job stability, wage parity, and social security. It is recommended that interventions should be designed to address these problems such as policies that support working conditions that allow for flexible employment, and childcare services as well as gender-sensitive social protection measures that can help cushion women in the event of another crisis (Abdou, 2020).

Amirian et al. (2021) identify gender inequality indices of Middle Eastern countries and compare them using Copra's technique concerning the UAE. The research shows that whereas the UAE has advanced in the achievement of gender equality in education, political representation, and participation there are still issues with remunerations of women and men and these are more prevalent in the private sector. The authors explain these trends as the result of the stereotypical perception of women's and men's roles in society as well as discrimination in wage policies. For example, women are likely to dominate the lower-paid jobs or industries including teaching, nursing, and clerical positions, which are known to have a wider gap in wages for equal work. However, women of working age are paid less as compared to men in the same line of work, the levels of prejudice that are still evident in the job market. The study also reveals that although the UAE government has formulated and implemented various policies to enhance the position of women in the country such as the enhancement of women's representation in employment and relevant positions in the country, the effectiveness of these policies in minimizing the salary disparities have remained poor (Amirian, Salamati Gablo, & Veysi Nab, 2021).

3. Methodology

3.1 Research Design

Qualitative methods have been used in this research study to examine the determinants of wage discrimination between males and females in the United Arab Emirates. Qualitative research is particularly useful in understanding complex socio-behavioral problems, as it explores what participants experience and perceive of these issues through extensive descriptions of their narratives.

3.2 Setting of the Study

The UAE will include for the study Dubai, Abu Dhabi, and Sharjah. The reason for selecting the cities is their broad labor markets spread across the finance, tourism, hospitality, and construction industries. Salary disparities in the UAE, where expatriate labor forms a significant part of the economic infrastructure will offer an interesting background to bulk study. The research will be conducted in these urban centers and it will provide a wide range of experiences from people working in different industries which allows for an all-encompassing grasp of how the wage gap has affected various sections.

3.3 Population

The population for this research is employees working in UAE belonging to different industries and job roles. The emphasis will be on this wider group of expatriate and Emirati employees as nationality is one of the biggest contributors to salary differentials across the UAE. It will consist of people at different professional stages, from opening assembling laborers to mid-vocation experts and senior-side chiefs. The diverse population will also allow the study to learn about salary differentials in different job categories and what this means for organizations.

3.4 Sampling

To understand this inequality in deep we will be using purposive sampling; a type of relatively less probability for qualitative research. This method helps in selecting a few of the ones who are highly informative about or have experience with the study topic. Eligibility requirements for participants are based on previous experiences with wage disparities in the UAE labor market as this will be a focus of the study.

3.4.1 Sample size

This study aims to enroll 4 participants for the sample size. Though this is a relatively small sample size, the field of qualitative research often emphasizes depth over breadth, providing an in-depth analysis of each respondent's experiences and viewpoints. As the sample is smaller and interviews are more in-depth, both researcher's time to analyze data and detail about themes from salary inequalities becomes manageable within this strain.

3.4.2 Inclusion Criteria

Participants are included in this study if they meet all of the following criteria:

- **Employment in the UAE:** Participants must be employed in the UAE, across any sector or job function.
- **Experience with Salary Disparities:** Those who have firsthand witnessed salary disparities of any sort — by gender, nationality, industry, or level of education.
- **Willingness to Participate:** Participants must also sign up for and participate in a comprehensive interview sharing their stories about salary discrimination.
- **Diversity:** The study will consider the impact of bias and seek a wide variety of diversity to represent different cultural backgrounds, genders, and industries.

3.4.3 Exclusion Criteria

Exclusion criteria are defined as conditions that a participant must not meet if they are to participate in a study.

- **Unemployed:** This will be excluded as the intention is to compare differences in salaries among those active workforce only.
- **No Experience with Salary Disparities:** Those who have no first- or second-hand knowledge of salary-based differential to get some relevant comments about the vulnerability being examined.
- **Poor Communication:** They will not be taken as individuals who fail to communicate effectively in English or Arabic, which would complicate and obscure the method of interviews.

3.5 Instruments

Semi-structured interviews will be the main data collection instrument. This creates a flexible interview, which allows the researcher to deeply and thoroughly explore areas of special interest while still ensuring that some main topics are well covered. Using the research questions as a foundation, we will develop an interview guide to get into detail about participants' experiences with wage disparities (if any) and their attitudes towards these inequalities of salary lines and possible solutions.

3.6 Results

Data will be analyzed using thematic analysis as it is particularly suited to qualitative research and, in this case, data from interviews. Thematic analysis is used in data analysis for identifying, analyzing, and reporting patterns (themes) within the data. The researcher will code the data, locate recurring themes, and interpret these themes against research questions.

Results will be delivered as in-depth narratives that cover the main themes found within responses. The stories aim to hear the experiences and perspectives of those who are working in a country where inequalities with salaries constantly rise high — the United Arab Emirates. Finally, further steps will be taken to discuss the

findings in light of existing literature on wage disparities, similarities and differences with previous work, and policy implications.

4. Discussion

4.1 Thematic Analysis

This thematic analysis explores central themes that surfaced from the interviews conducted with four participants; these women have shed some light on salary disparity in the UAE. The participants are two male and female expatriates, in addition to an Emirati national couple. Their points of view shared the diversity woven into wage-gap narratives arising from nationality, gender, and industry to education.

4.1.1 Theme 1: Nationality-Based Wage Disparities

Participant 1 (Male Expatriate, Construction Industry) also pointed to the differences in wages of expatriates among different regions; and such reality was well reflected by Western expatriates are often paid, sometimes vastly more, to do a job that an Asian or African would be doing on significantly less, he observed.

Participant 3 (Female Emirati, Public Sector) confirmed the discovery of nationality wage gaps in a novel way. She recognized that Emirati nationals get paid more most of the time than expatriates, especially in government roles.

4.1.2 Theme 2: Gender Pay Gap

Participant 2 (Female Expatriate, Finance Industry) also mentioned struggles as a woman in a man's world. Even though they have the same qualifications and responsibilities, she was paid less due to gender. She blames a tag team of sexism and societal beliefs that put men at the top as breadwinners. However, these differences and the continued secrecy that surrounded pay packets made it difficult to challenge inequalities.

Contrary to this, **Participant 4** (male Emirati- private sector) has a different point of view. Although he said there was a gender wage gap it was not as wide among Emirati nationals, particularly in the public sector which promotes equality for the sexes. Yet the private sector, particularly in technology and engineering — industries where women remain rare at higher pay grades —can still feature huge wage gaps.

4.1.3 Theme 3: Industry and Educational Disparities

Participant 1 stressed that the industry has a hand in creating salary discrepancies. Among his findings was that wages for jobs in construction or hospitality, where expatriates from poor nations make up much of the workforce, are lower than those in finance and tech.

Another area was addressed by **Participant 2** regarding how work differences have been determined based on educational background. Degrees from Western institutions are more widely respected than those obtained in other regions, which explains the much higher salaries of expats with education and work experience received or accumulated while working in several countries.

Participant 3 also shared the same opinion, stating that it is a part of group psychology and in the public sector Emiratis having higher education especially degrees from well-known universities get comparatively good pay.

Participant 4 continued the conversation, pointing out that in private industry, especially fields like technology which are rapidly growing. Turnover is typically quicker than when equitable pay practices can be established.

4.1.4 Theme 4: Impact on Social Cohesion and Economic Sustainability

Participant 1 noted the larger social issues related to wage disparities. He observed that wage inequality at the level of nationality may result in rifts in workplaces and also in society.

Participant 2 argued that the gender pay gap can make women feel less motivated, as they do not believe their work is being appreciated equally. The latter would ultimately drive some professional women out.

Describing the phenomenon from a public perspective, **Participant 3** said that Emiratis who wished to earn more money through an internship in private companies were doing so at the expense of national unemployment rates, and with it growing disparity between nationals and expats may dilute social cohesion. In promoting considerations of social solidarity, she pointed to the importance of having policies that ensure that there are more equitable pay outcomes for all demographic groups.

Participant 4 ended by considering the economic consequences of these disparities. He described differences in salaries if not handled right could raise concerns around labor market distortions such as insufficient use of talent or having to rely on foreign countries for recruiting bit explains his points. He maintained that the economy had to be made more inclusive, so every worker feels like they are a significant part of it and compensated accordingly.

4.2 Discussion

Drawing on qualitative data from the UAE, this paper examines salary inequalities as more dynamic and contested processes taking place across a multitude of demographic lines. These are not just market outcomes but anathemas of socio-cultural realities, legal design, and labor policies where pay disparities get entrenched due to statutes.

The most significant finding from the study has been identified as a widening pay gap between Emiratis and expatriates. This gap is largely the result of UAE labor market characteristics where nationals prefer government and semi-government employment which pays more and has guaranteed wages and benefits compared to their private sector expatriate counterparts. This blatant preference for citizens is deeply embedded in the Universal policy of Emiratization — a program designed to ensure that UAE nationals play key roles within the workforce. Nevertheless, this policy has spawned a two-tiered labor market that disadvantages expatriates who make up the largest share of Sri Lankan job seekers with their generally lower wages offered for similar work (Elsayed, 2024).

No widely accepted explanation has emerged for the gender pay gap, although it is clear that cultural norms and societal expectations are some of the leading factors in this problem. However, deeply rooted cultural beliefs in gender differences have left much of the female workforce still exposed to discrimination from entering high official positions through programs like the UAE Gender Balance Council by the government. That is women concentrate more on lower-paying sectors such as education and health while men dominate higher-paid fields like finance and engineering. The research also suggests a general lack of pay transparency making it harder for women to challenge any unfairness when outed (Sang Lee, 2023).

Industry-wise and across educational levels are impacting salary disparities within the UAE. Key sectors like finance, tech, and oil and gas, tend to be led by ex-pats from the West where their skills are mainly sought. Palestinian and Arab ex-pats are among the highest earners due to their prominence in well-paying positions, which pay on a par with those for Bahraini nationals; whilst South Asian and African migrants that work primarily in lower-paid roles like construction or domestic labor earn much less despite being major contributors to the economy (Asi, 2022).

Additionally, it shows the vast influence of salary inequalities on education and skills acquisition. Investing in the education and training of all workers will help to make a more level playing field where individuals are remunerated due to their skills and contributions, instead of their nationality or gender (Olupona, 2023).

5. Conclusion

Finally, we conclude with the fact that salary imbalances in UAE are race and gendered-specific albeit this intersectionality is interactively related such as social categories with the work sector and education. Given the social and economic importance of this gap, policymakers should understand better what causes wage disparities. By enacting sector-specific reforms that prioritize fairness and equity, the UAE can move towards a more sustainable economy in which all workers are recognized as stakeholders who deserve to receive their fair share.

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