



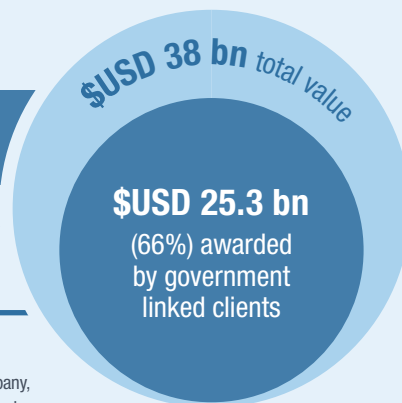
UAE & Migrant Workers' Rights

One year to Expo 2020: A snapshot of UAE construction sector and risks to vulnerable workers

Since **January 2018**, construction contracts in numbers:



A contract might be split between several companies. Projects here refers to construction or engineering work awarded to a company, which might be involved in the full or partial delivery of the contract.



Since **January 2016**, allegations in numbers:



October 20th marks one year to the [Expo 2020 in Dubai](#), the six-month international fair that will see an estimated [25 million](#) people visit the emirate of Dubai in the United Arab Emirates (UAE). The Expo 2020 is helping drive the construction sector in the UAE, which is the second-largest construction market in the region after Saudi Arabia. \$USD 38 billion in contracts have been awarded since January 2018.

The Expo 2020 is meant to showcase the emirate of Dubai to the world. Yet despite labour reforms in recent years, low-wage migrant workers on construction projects in the UAE continue to suffer exploitation by unscrupulous employers and have limited access to effective remedy.

Analysis of our [Gulf Construction Tracker](#)¹ finds companies that have failed to disclose what they are doing to safeguard the rights of migrant workers² were awarded 62 new projects since January 2018, (about 60% of them in Dubai). Of these companies, six have headquarters in the UAE³ while 11 are international companies⁴. The former include ALEC, which is building Saudi Arabia's pavilion for Expo 2020, and Arabtec, with three projects to build UAE's country pavilion and other work on the Expo site. Two contracts went to companies with

a record of alleged human rights abuse, Al Arif Contracting and the BinLadin Group (See Box). On the other hand, the highest scoring UAE company in our [2018](#) survey, Al Naboodah Construction Group, was awarded six new contracts in 2018 and 2019, up from two contracts in 2017.

Our analysis also finds that **\$USD 25.3 billion**, or 66% of the total monetary value of new construction contracts in 2018 and 2019, were awarded by government bodies or companies fully or partially owned by the state. Acting as clients who are market participants, and not just regulators, these state bodies therefore have a responsibility, under the UN Guiding Principles on Business and Human Rights, to carry out human rights due diligence when awarding contracts, and to pay contractors on time to avoid delays in supply chain workers receiving wages.

The UAE's treatment of migrant workers has not received as much international scrutiny as Qatar's ahead of the FIFA World Cup 2022, even though the UAE has nearly five times as many migrant workers as Qatar, and similar working conditions⁵. The Expo 2020 provides an opportunity to achieve lasting improvements in migrant workers' welfare in the UAE beyond the coming period of international attention.

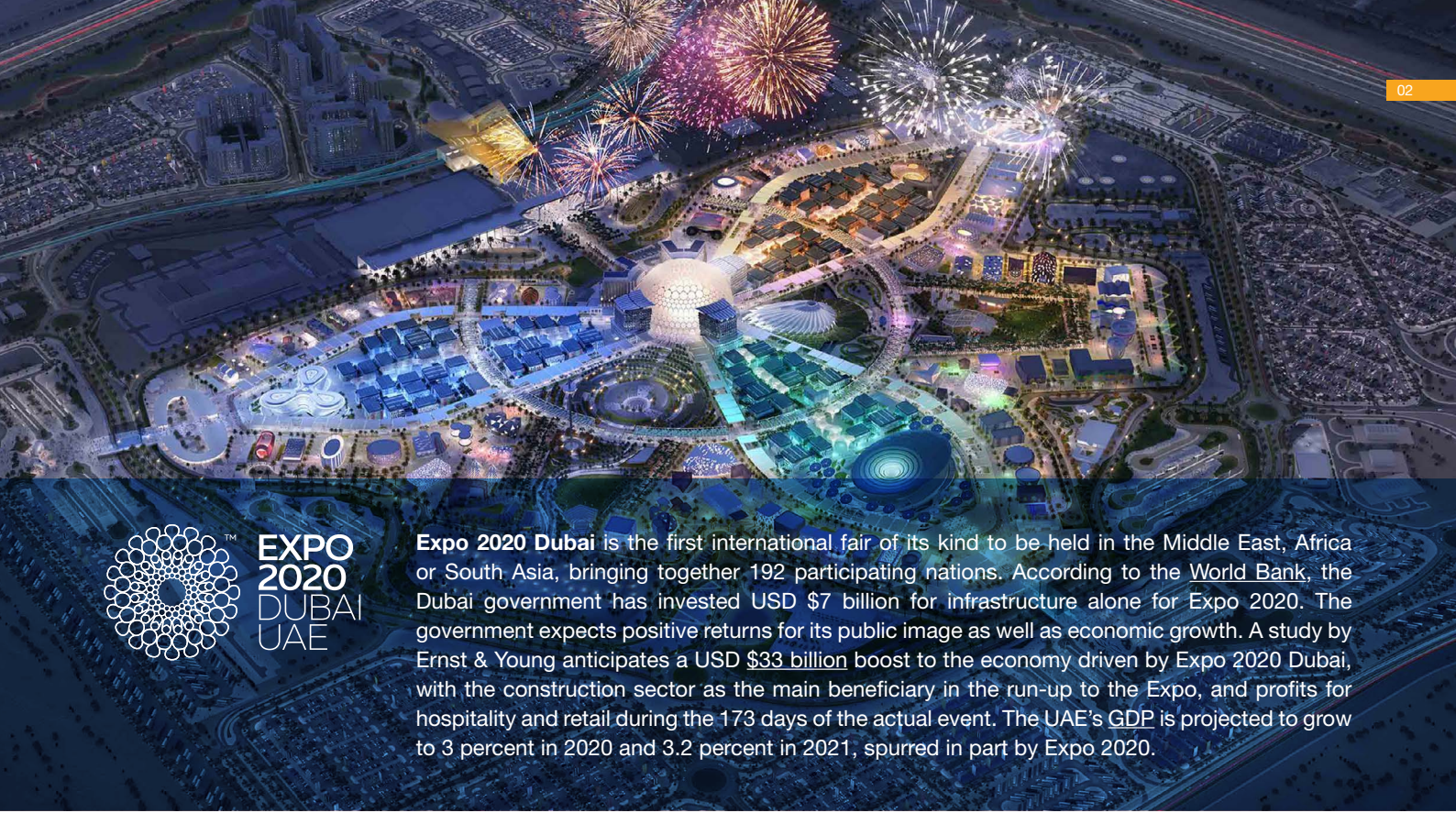
1 A tool developed by the Business and Human Rights Resource Centre with partners the NYU Stern Center for Business and Human Rights and Humanity United to track information on publicly awarded construction contracts. As the tracker only captures publicly reported contracts, the actual size of the construction industry is believed to be higher. For details on the GTC methodology, see [here](#).

2 The Business and Human Rights Resource Centre surveyed construction companies in [2016](#) and [2018](#) on their approach to protecting migrant rights in Qatar and the UAE.

3 The domestic non-responders are: Wade Adams, Ghantoot Gulf Contracting, ALEC, Arabtec, Trojan General Contracting, BIC Contracting).

4 The international non-responders are: SNC Lavalin (Canada), TAV (Turkey), China Railway Construction (China), China State Construction and Engineering Co. (China), Orascom (Egypt), Belhassa International and Belhassa Six Construct (Belgium), China Harbour Engineering Corporation (China), Itinera (Italy), Eversendei (Malaysia), and Shapoorji Palonji (India).

5 According to the latest available figures from the UN, there were 8.3 million migrant workers in the UAE and 1.7 million in Qatar. See [here](#).



Expo 2020 Dubai is the first international fair of its kind to be held in the Middle East, Africa or South Asia, bringing together 192 participating nations. According to the [World Bank](#), the Dubai government has invested USD \$7 billion for infrastructure alone for Expo 2020. The government expects positive returns for its public image as well as economic growth. A study by Ernst & Young anticipates a USD \$33 billion boost to the economy driven by Expo 2020 Dubai, with the construction sector as the main beneficiary in the run-up to the Expo, and profits for hospitality and retail during the 173 days of the actual event. The UAE's GDP is projected to grow to 3 percent in 2020 and 3.2 percent in 2021, spurred in part by Expo 2020.

What are the human rights risks facing migrant workers in UAE?

According to latest official figures⁶, [1.7 million](#) workers, or 34% of the total workforce, are employed in the UAE's construction industry, making it the largest employer in the country. Low-wage construction workers continue to be among the most vulnerable groups (along with domestic workers), given high risks of human rights abuses inherent in the construction industry's [business model](#). According to recent [research](#) from Gulf Labour Markets and Migration, over 50% of construction workers surveyed in Dubai didn't receive their wages on time and were denied adequate overtime payments.

Migrant workers make up around [90%](#) of UAE's workforce. Yet despite [2017's](#) labour reforms, migrant workers remain tied to the [kafala](#) (sponsorship) system and are denied collective bargaining rights, leaving them vulnerable to exploitation and abuse. The absence of a [national minimum wage](#) also leaves low-wage workers struggling to maintain an adequate standard of living and to send remittances to support their families back home.

Concerns remain about the poor enforcement of the [Wage Protection System](#), an insurance policy designed to protect workers from late or [non-payment of wages](#) and undue deductions. Courts reviewing labour disputes have issued [favourable rulings](#) for workers, forcing employers to settle unpaid wages, but [delays](#) and barriers to justice frequently still leave workers stranded and relying on charitable assistance. Striking is not a feasible option as migrant workers risk fines, deportation and bans from working in the UAE.

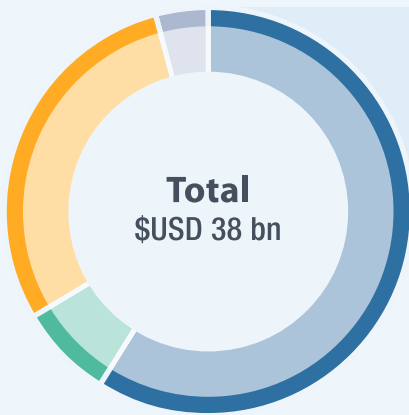
Given the absence of independent civil society, little tolerance for any criticism, and lack of access to the country by independent monitors including international human rights organizations, it is difficult to assess the actual impact of recent labour reforms on worker welfare. Despite this lack of information, the Resource Centre has tracked **39 publicly reported allegations of human rights abuse by companies since 2016**, involving over 4,600 workers from South Asian and African countries. **85% of cases involved delayed or non-payment of wages**. Other common reports of abuse involved restrictions on workers' ability to change jobs, health and safety concerns, and sub-standard living conditions.

UAE construction companies and human rights

Research by the Resource Centre in [2016](#) and [2018](#) found alarming evidence of failure by the majority of construction companies operating in the UAE to consider worker welfare or mitigate country-specific risks, such as late payment, heat stress, and providing alternative mechanisms for worker representation and collective bargaining.

More than 70% of companies assessed in 2018 failed to respond, while more than 60% did not have public commitments on human rights. Only a small minority of companies, namely Besix, Multiplex and Vinci (QDVC), detailed measures taken to ensure timely and full payment of wages by sub-contractors.

6 Figures compiled by the Ministry of Human Resources and Emiratization for the 3rd Quarter of 2018



● **\$USD 22.4 bn** Government, state owned companies

\$USD 9.4 bn
Petrochemicals

\$USD 7.7 bn
Energy and utilities

\$USD 3.9 bn
Transport

● **\$USD 2.9 bn** Public-private partnerships

● **\$USD 11.2 bn** Privately-owned companies

● **\$USD 1.5 bn** Other (not reported or other governments)

Investments in UAE’s construction sector

In the past two years, 260 new construction contracts worth \$USD 38 billion were awarded. These included 19 public contracts awarded for building the Expo 2020 Dubai site and connecting transport links. Another nine contracts for Dubai Expo were tracked in 2017 — together worth a total of \$USD 2.9 billion in value. Of these 28 Expo-linked projects, 11 were awarded to domestic companies, while the rest were won by companies headquartered in Belgium, Egypt, India, Finland, Spain, the UK and the USA.

Who is awarding construction contracts?

Government entities and state-owned companies awarded \$USD 22.4 billion worth of contracts, including \$USD 3.9 billion granted for the improvement of roads, transport links and airport terminals, many linked to infrastructure upgrades ahead of Expo 2020 Dubai. Petrochemical-related projects, mainly in oil-rich Abu Dhabi, continued to represent the highest monetary value of awarded projects amounting for \$USD 9.4 billion. The government also ramped-up investment in infrastructure projects linked to waste management, water desalination, power generation, and renewables, awarding a total of \$USD 7.7 billion — a major increase from \$USD 664 million in 2017.

On the other hand, privately-owned companies provided financing for projects worth over \$USD 11.2 billion, more than 90% of them for residential and commercial developments. Another \$USD 2.9 billion worth of contracts were funded by private-public joint ventures or companies in which government entities held some equity.

Two companies awarded contracts despite record of alleged abuse

In September 2018, UAE company **Al Arif Contracting** was awarded a contract to develop four mixed-use towers in Dubai, despite unanswered allegations of failing to pay workers, confiscating their passports, and subjecting them to sub-standard living conditions during the development of the [Trump International Golf Club in Damac Hills](#) in Dubai in 2017.

In January 2018, leading UAE developer al-Nakheel and Spain’s RIU Hotel and Resorts awarded the **BinLadin Group** a \$USD 105 million contract to develop a resort and water park in Dubai. In 2017 [the company](#) delayed wages for thousands of workers, with around 50 convicted of rioting and destruction of property and sentenced to prison terms and flogging, a form of torture. Saudi [investigations](#) had also found the BinLadin Group “partially responsible” for the hundreds of deaths and injuries in a 2015 crane collapse on its construction site in Mecca. Despite this alarming record, the BinLadin Group boasts a number of public and private [clients](#) in Dubai including the Dubai Municipality and the Roads and Transport Authority.

Worker Welfare at Expo 2020 Dubai

The Expo 2020 Dubai has a [Worker Welfare](#) team, which has adopted [10 worker welfare principles](#) to apply to their contractors and third-party partners. These focus on a number of high-risk areas, including recruitment, employment practices such as wages and working hours, living conditions, health and safety including managing heat stress, and access to internal grievance mechanisms.

Dubai Expo's efforts to tackle worker welfare in their procurement process, and monitor compliance by contractors and third-party partners, represents good practice in the UAE and should be replicated by other public and private clients.

What should the UAE government do?

Allow unimpeded access to the country to human rights organizations and independent journalists wishing to investigate the situation of migrant workers, and extend invitations to Special Procedures of the Human Rights Council, to enable them to carry out an independent assessment of the impact of labour rights reforms on worker welfare; and ensure that court decisions in labour disputes are implemented and that workers' right to freedom of movement, including their right to change their employer, is fully upheld in practice.

What should clients (including government entities) do?

Award contracts to construction companies with demonstrable commitments to labour rights, including those that have human rights and worker welfare policies and procedures in place; monitor compliance with a view to sanctioning those failing to protect workers' rights; and ensure timely payment of contractors to prevent delays down the supply chain.

What should companies do?

Adopt and enforce robust protections for migrant workers and demonstrate respect for worker rights, including timely payment of wages, and managing risks of heat stress by monitoring subcontractor compliance; support the establishment of and engage with worker committees as a means of collective representation and bargaining; and guarantee workers' ability to freely change employment without penalty.

What should investors do?

Undertake rigorous due diligence and review of potential investments for risks specific to the construction sector in the UAE; monitor performance of investee companies; influence investees to safeguard migrant labour rights and take corrective action in cases of adverse impact; and ensure that workers' voices are heard and acted upon.

A full list of recommendations by Business & Human Rights Resource Centre can be found in our January 2018 briefing [‘On shaky Ground: Migrant Worker Rights in Qatar and the UAE Construction.’](#)