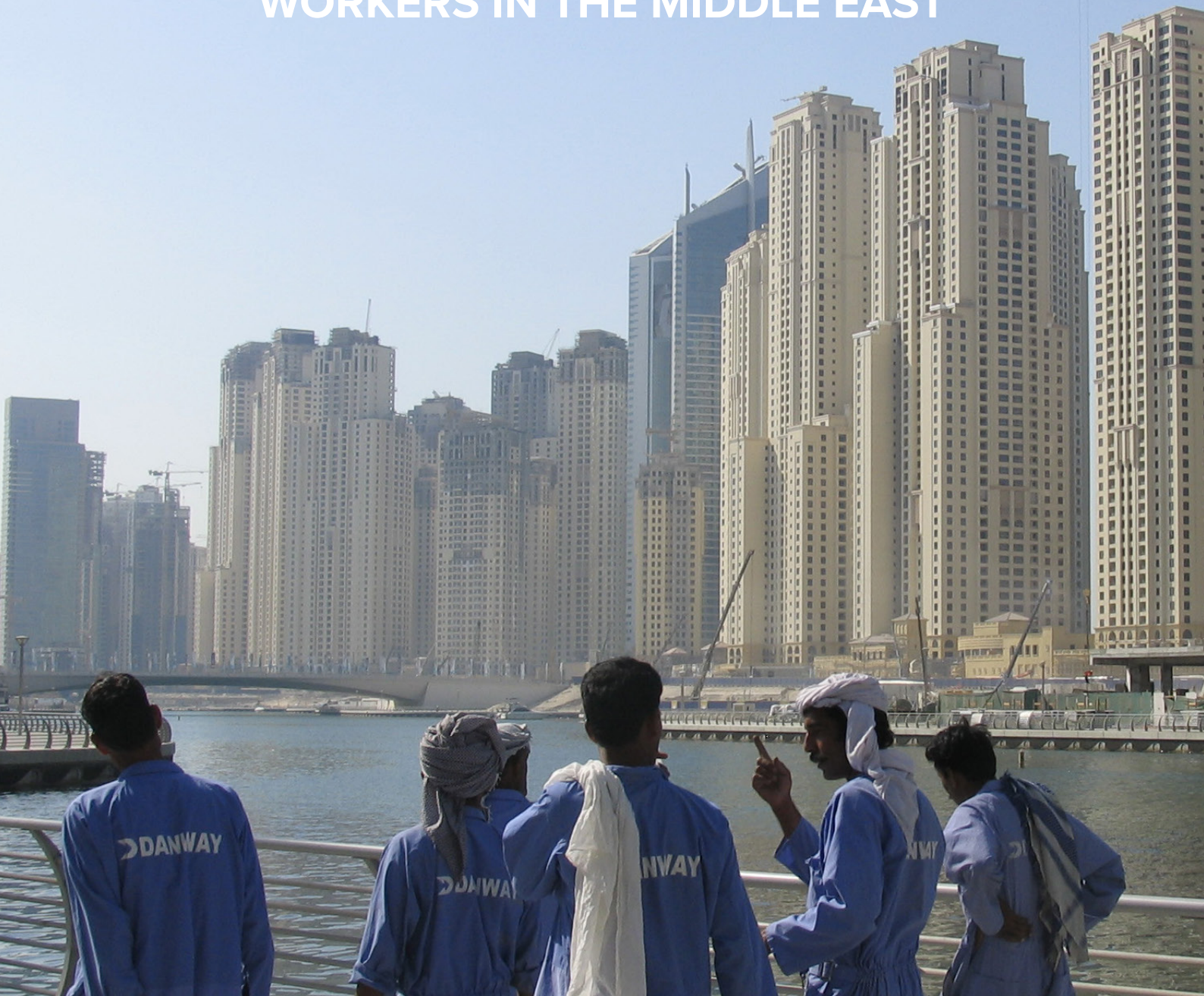


A HUMAN RIGHTS PRIMER FOR BUSINESS:

UNDERSTANDING RISKS TO CONSTRUCTION WORKERS IN THE MIDDLE EAST



Business & Human Rights
Resource Centre

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EXECUTIVE SUMMARY

Employment in the construction industry is characterised by low wages and precarious working conditions, with aspects of the business model contributing to widespread violations of workers' labour rights. These include: a narrow-margin, least-cost financial structure that drives down wages; many layers of subcontracting that reduce transparency and accountability for abuse; and a project-based "boom and bust" cycle that invites companies to rely on external suppliers of temporary labour.

By some estimates, the Middle East's construction sector is the largest and fastest-growing in the world. High-profile events such as the 2022 World Cup in Qatar, World Expo 2020 in Dubai, the construction of iconic institutions in Abu Dhabi, and the investment of international financial institutions into infrastructure in Jordan and Lebanon are among the forces driving this expansion. This fast growth has reinforced the sector's reliance on migrants and refugees to fill gaps in the workforce.

Despite significant and widespread regional risks to these workers, [our 2016 survey of construction company operations in Qatar and the UAE](#) indicated that the construction industry lags behind other sectors in understanding and implementing the UN Guiding Principles on Business and Human Rights, and adopting the policies and practices necessary to prevent, mitigate, and remedy abuse.

In anticipation of a second round of surveys in 2018, this time including construction companies operating in Jordan and Lebanon as well as Qatar and the UAE, we have developed this briefing to inform companies of the key human rights risks in these countries and the steps they should take to address abuses in the sector.

We examined the construction sectors in these four growing Middle East markets and found a high risk of abuse in each one:

Informal workers dominate employment in Jordan's construction sector, which relies heavily on irregular migrant workers and, to a lesser extent, Syrian refugees. Because these workers fall outside legitimate employment structures and are criminalised for their lack of legal status, they face a heightened risk of abuse and little recourse to raise and address grievances. Informal workers are subject to financial exploitation by recruiters that take advantage of their precarious legal status, in addition to wage discrimination and frequently delayed wages. The construction sector is also the most dangerous sector for workers in the country, accounting for 44 deaths per 100,000 workers in 2014, compared to 9.8 per 100,000 construction worker deaths in the USA in the same year.

Lebanon has relied on Syrian workers in the construction sector for decades, driven by a lack of low-skilled Lebanese workers and the relative ease of movement between Lebanon and Syria. This has only increased since the advent of the Syria conflict, such that Syrians now make up 70% - 80% of the construction workforce in Lebanon. However, more recent restrictions on access to work permits and legal residency has led to growing informality in construction, worsening working conditions and driving down wages for Syrian and Lebanese workers. The hidden nature of this workforce and limited access to workers through labour inspections and grievance mechanisms makes it difficult to prevent, detect, and remedy allegations of abuse.

In Qatar, where the construction sector workforce is dominated by migrant labour from South Asia, reforms to the sponsorship system have yet to result in a tangible improvement on workers' rights to freedom of movement, and enforcement of existing labour protections remains weak. Workers continue to face treacherous working conditions, exacerbated by the country's intense heat and humidity; illegal and unscrupulous recruitment practices; and late or non-payment of wages. Key legal gaps also remain, including the right to form or join trade unions, and access to effective remedy without fear of retaliation.

South and Southeast Asian migrant workers also dominate the workforce in the UAE's construction sector. Despite legal reforms to ease restrictions on migrant workers' freedom of movement, workers continue to pay extortionate recruitment fees to secure jobs, which when coupled with months-late payment of wages and passport confiscation, traps workers in dire living and working conditions. The lack of avenues for workers to raise grievances, including prohibitions on the right to unionise, exacerbate these risks, and workers have been deported or otherwise punished for striking in protest of unfair working conditions.

In response to these risks, we urge construction companies to enhance their human rights performance:

Leadership and Management:

- Exercise leadership on human rights at the director level and report annually to the board on performance
- Embed responsibility for ethical labour practices throughout company operations

Human Rights Policy and Transparency:

- Adopt a public commitment to respect workers' rights
- Introduce policies and procedures to address informality and supply chain risks
- Report annually on human rights performance, with an emphasis on high risk regions and groups

Due Diligence and Remedy:

- Undertake deep dive research in supply chains to identify risks to workers,
- Develop and implement action plans to prevent abuse and mitigate risks to workers
- Institute effective, accessible grievance mechanisms and provide remedy when abuse does occur

Stakeholder Engagement and Advocacy:

- Engage in collaborative action with industry groups and civil society to identify risks in supply chains, enhance industry performance, and confront abuse in the sector
- Advocate for changes to laws to uphold workers' rights and expand civic freedoms, and oppose legal changes that put workers at risk
- Support reform of government procurement practices to incorporate human and labour rights standards

INTRODUCTION

According to recent estimates, the [Middle East's construction sector](#) is the largest and fastest growing in the world. Construction is a labour-intensive sector that relies on large numbers of low-skilled workers and employs 7% of the global workforce.

[Employment in the construction industry](#) is characterised by low wages and precarious working conditions. Companies in this sector confront a high risk of modern slavery and other forms of egregious abuse in their supply chains.¹ [The 2017 Global Estimates of Modern Slavery and Child Labour](#) reveal that 18% of adults subject to forced labour in the private economy are employed in the construction sector, second only to the number of people employed under conditions of forced labour in domestic work.²

Procurement and contracting practices that make construction workers vulnerable to abuse and exploitation are exacerbated by mass labour migration, including refugees; widespread informality; and weak labour laws in the Middle East. Construction workers are vulnerable to numerous and interconnected human rights and labour abuses, including:

- Exploitative recruitment practices
- Unfair and abusive payment practices
- Unsafe working conditions
- Substandard living conditions
- Restricted freedom of movement
- Limited/no worker representation, freedom of association, or access to remedy

The region's construction markets have traditionally been driven by public investment, but fluctuating oil prices and mounting debt have prompted governments to explore new avenues for project financing. To this end, reforms are being advanced to encourage more foreign investment and support from international financial institutions and to facilitate public-private partnerships between government entities and the private sector. These provide a significant opportunity for improvements in labour law, regulation, and norms.

In light of the growing role for the private sector in the industry, this briefing describes the risks to companies in four countries in the Middle East - Jordan, Lebanon, Qatar and the United Arab Emirates (UAE) - focusing on the labour rights of migrant and informal workers and refugees. It outlines the responsibilities of companies to prevent and address these risks, ending with a series of recommendations for companies and their business partners to advance decent working conditions in the construction sector.

1 Supply chain is used in this briefing to refer to the subcontracting chain between engineering and construction companies, contractors, subcontractors, sub subcontractors (and so on), and the labour supply and recruitment agencies they use.

2 The ILO defines forced labour as situations in which person are coerced to work through the use of violence or intimidation, or by more subtle means such as accumulated debt, retention of identity papers or threats of denunciation to immigration authorities.

A HIGH-RISK SECTOR

"Our business models must take a large part of the blame: the trend towards outsourcing and cut price contracting makes it easy for main contractors to duck out of their responsibilities. The plight of the most vulnerable gets lost among the long and complex supply chains. It's too convenient to blame the subcontractor or poor local legislation."

Chris Blythe, Chief Executive, [Chartered Institute of Building](#)

Although many sectors carry serious human rights risks, there are three aspects of the construction sector's structure that make it particularly prone to abuse. These are as follows: the tendering process, which puts downward pressure on wages and encourages other high-risk cost-saving measures; complex contracting arrangements, which tend to result in long, unaccountable supply chains and short-term, unpredictable contracts; and the workforce composition, including widespread employment of low-skilled migrant workers, refugees, and other vulnerable populations.

These structural issues are not unique to construction, however the relative lack of both human rights awareness and capacity within construction companies and the wider industry further compromises the sector's ability to effectively identify and address abuses in its operations and supply chains. When combined with a vulnerable and repressed workforce, the mixture can be toxic to the achievement of human rights.

PRESSURE POINTS – CHARACTERISTICS OF THE CONSTRUCTION INDUSTRY WHICH HEIGHTEN RISKS TO WORKERS

Tendering process

Construction is a highly competitive industry, with contracts often awarded to construction companies that submit the lowest bids during the tendering process, with few or no prequalification requirements related to labour rights. The procurement behavior and priorities of the clients is thus an important determinant of labour standards throughout supply chains.

Given that [profit margins in construction](#) are extremely low, least-cost procurement puts enormous pressure on contractors to underprice their work in order to secure business and maintain profits. Raw material costs are generally fixed, and consequently companies minimise expenses by cutting labour costs to the detriment of workers' pay and the quality of their working and living conditions.

Construction contracts are awarded on a short-term basis, putting pressure on companies to deliver projects in an allotted timeframe. This pressure creates little incentive for companies to invest in workers' rights and implement good practices. Clients, whether private developers, government or public finance institutions like the World Bank, thus have a critical responsibility to promote better human rights conduct in the sector.

Subcontracting

Construction is also a volatile industry, subject to “booms and busts” that fluctuate based on economic conditions and consumer demand. Companies compete on a project-by-project basis, with no guarantees of new work if they fail to win contract awards. As such, contractors rely on short-term subcontracting and the outsourcing of labour to maintain a flexible workforce that can expand and shrink to demand. Subcontractors in turn may subcontract and outsource further for the same reasons. Deep levels of subcontracting result in long, complex supply chains and the proliferation of short-term contracts, both of which impact workers' rights:

1. Long and complex supply chains

Subcontracting [can delay workers' wages](#), as they are far removed from the main sources of finance. It can take several months for payments issued to main contractors to reach workers at the furthest points of a supply chain. This is due to the wide-spread use of “pay when paid” clauses in construction contracts, whereby contractors are not obliged to pay their subcontractors until they have received payment for the client, and in turn, subcontractors do not make payments until they receive payment from the company in the tier above. As a result, workers are often the last to be paid and are vulnerable to long periods without pay, particularly if there are disputes or bankruptcy occurs higher up in the supply chain. Given companies' extremely small profit margins, contractors rarely have excess cash flow to cover salaries when payments are delayed by clients.

2. Short-term contracts

The sector's reliance on subcontracting means that most projects involve numerous companies hired on short-term contracts that rotate through construction sites depending on the stage of work. As a result, a single construction site can house workers employed by many separate entities, for differing lengths of time, and under variable employment terms. Consequently, workers are less likely or able to organise to demand improvements to wages or working conditions. It also creates ambiguity over who is accountable for workers and their rights, making it difficult to enforce employer's responsibilities or to seek redress for workers.

Workforce composition

Construction projects by definition are carried out in one location and particularly influenced by local economic conditions, despite attracting international investment. During booms in construction activity, local labour markets are often unable to meet the volume of work and skills requirements, creating demand for a temporary, mobile workforce.

The sector's reliance on temporary labour, including low-income migrant workers, refugees and informal workers, also helps to keep costs down. Risks encountered by workers during the migration process³, or linked to workers' precarious legal or social status, mean that they are more likely to accept less favourable employment conditions and low wages, and to be excluded from employment benefits such as social security, insurance and end-of-service benefits.

³ The types of abuse and exploitation faced by migrant workers in construction relate largely to the incurrence of debt during the recruitment process. This has been well-researched and documented in numerous reports, including [Migrant Work & Employment in the Construction Sector](#) (ILO, 2016) and [Making Workers Pay: Recruitment of the Migrant Labor Force in the Gulf Construction Industry](#) (NYU Stern Center for Business and Human Rights, 2017).

CONSTRUCTION COMPANIES' RESPONSIBILITY FOR HUMAN RIGHTS

As beneficiaries of labour, construction companies play a critical role in addressing the human rights and labour risks encountered by workers in the construction sector, especially when their business models contribute to, and magnify, these risks.

The responsibility of businesses to respect human rights in their operations and supply chains has been set out in several existing international frameworks and conventions, as well as in emerging [national legislation](#) and [voluntary initiatives](#). The [United Nations Guiding Principles on Human Rights](#) (UNGPs) are widely accepted as the authoritative global standard on business and human rights after the 31 principles were unanimously endorsed by the UN Human Rights Council in 2011. Bahrain, Qatar and Saudi Arabia were on the Human Rights Council at the time, and Jordan and Turkey were two of the co-sponsors of the resolution endorsing the Guiding Principles.

The UN Guiding Principle on Business and Human Rights (UNGPs) set the clear expectation that all companies have a responsibility to respect human rights by avoiding adverse impacts on human rights and addressing impacts when they do occur.

According to the UNGPs, companies' responsibility to respect human rights:

- exists over and above compliance with national laws and regulations protecting human rights
- applies to businesses' own operations and to all their business relationships, including those throughout their value chains. In the cases of construction companies this includes relationships with sub-contractors and agencies supplying labour
- should pay special attention to any particular human rights impacts on individuals from groups or populations that may be at heightened risk of vulnerability or marginalisation

To meet this responsibility, companies should undertake "human rights due diligence"- a process to identify, prevent, mitigate and, where necessary, remedy their impacts on human rights in their own operations and throughout their supply chains. The UNGPs also maintain that, in order to account for how they address their human rights impacts, companies should be prepared to communicate their human rights policies, processes and progress externally.

Since 2016, Business & Human Rights Resource Centre has sought to understand how companies' responsibility for human rights have been enacted in the construction sector in the Middle East. Our findings to date indicate that the construction industry lags behind other sectors on the implementation of the UNGPs and human rights reporting.

Of the 100 global [construction companies we surveyed](#) that are operating in the Gulf, only 39% had a public commitment to human rights and a mere 22% responded to specific questions about how they address the severe risks to the human rights of low-skilled migrant workers in their operations in Qatar and the UAE. In comparison, 68% of the [clothing companies surveyed](#) by the Resource Centre in the same year responded when asked about the human rights risks to Syrian refugees in their Turkish operations. Similarly, a [2015 analysis](#) of 49 construction company statements under the UK Modern Slavery Act found that 67% of companies did not disclose any specific risks of modern slavery in their statements, despite being a high-risk sector for forced labour.

CONSTRUCTION WORKERS' RIGHTS IN THE MIDDLE EAST

The visa sponsorship system

[Migrant workers are the DNA of the construction sector](#) and this is no less true in the Middle East. The system for the recruitment and employment of migrant workers in Jordan, Lebanon, Qatar and the UAE creates particular challenges for construction companies in relation to labour and rights abuses. The visa-sponsorship system, known as “kafala” (Arabic for sponsorship), is [described](#) by the ILO as “an all-encompassing collection of laws, administrative regulations, norms and customary practices governing labour migration across the Middle East. Under kafala, a migrant worker’s immigration and legal residency status is tied to an individual sponsor (*kafeel*) throughout the contracts period, in such a way that a migrant worker cannot typically enter the country, resign from a job, transfer employment, nor – in some cases – leave the country without first obtaining explicit permission from the employer”.

Labour supply companies have sprung up as a solution to providing a flexible and mobile construction workforce under this system; these entities are able to circumvent restrictions imposed by the sponsorship law by acting contractually as the employer and moving workers between construction contractors as needed. However, companies’ dependence on labour supply companies exacerbates the risks of migrant worker exploitation by adding to the number of intermediaries that may charge fees to workers during the recruitment process, by deepening the levels of subcontracting and the associated risks (including payment delays), and by keeping workers ‘on hold’ without income or basic amenities in between job placements.

Growing expectations

The legislative environment and political context in the Middle East pose significant challenges for companies to protect their workforce from labour exploitation. Recent high-profile events in the region, such as preparations for the World Expo 2020 in Dubai and the Qatar World Cup 2022, have drawn attention to human rights and labour abuse of low-income migrant workers in construction supply chains.

Meanwhile, the protracted war in Syria has led to an influx of refugees into neighbouring countries, including Jordan and Lebanon, attracting significant global funding to [support refugee livelihoods](#). Initiatives like the [2016 MENA Global Concessional Facility](#) initiated by the World Bank and the international assistance pledges made at the [2016 London Conference](#) seek to incentivise job creation for Syrian refugees and their incorporation into the workforce, and emphasise the role of the private and construction sector as a means to do so. The main vehicles for the implementation of this aid are the [Jordan Response Plan](#) and [Lebanon Crisis Response Plan](#).

The following section delves into the particular challenges and unique circumstances facing the construction sectors in Jordan, Lebanon, Qatar and the UAE, including gaps in the legislative environment that govern companies’ responsibilities towards workers, the composition of the construction sector workforce and the particular risks faced by workers in this sector.



JORDAN

Jordan's construction labour force

Jordan's construction sector currently [accounts for 5% of the country's GDP](#), and it is forecast to have to grow by 15% under [Jordan's Economic Growth Plan for 2018-2022](#) to meet the housing, educational and medical needs of its growing population. In Amman, US\$5 billion in investment is going to [regenerate](#) the downtown district of Abdali into a financial and business hub. Alongside local investment, there is a push from international donors to create more jobs for Syrian refugees in the construction sector through the US\$7.3 billion [Jordan Response Plan](#).

As is the case in the Gulf, most construction workers in Jordan are migrants. [According to 2016 figures](#), the top three countries of origin of registered migrant workers are Egypt (170,065 workers), Bangladesh (50,574) and Syria (33,485).

These numbers present only part of the picture however, due to the large numbers of workers employed in the informal economy; it is estimated that of the 1.2 million non-Jordanian workers in the country, [only 315,000](#) have official work permits. The informal workforce dominates employment in the construction sector, which relies heavily on irregular migrant workers and, to a lesser extent, Syrian refugees (collectively referred to herein as "irregular workers").⁴

Like the other countries profiled, formal

employment of migrant workers in Jordan operates on a sponsorship-based system. Migrant workers' work permits are tied to a specific employer and they are not permitted to change employers without prior written permission from their sponsor. Migrant workers' labour permits also confine them to work in a single occupation, such that a worker authorised to work in one sector cannot legally work in another. The Jordanian government estimates that [two-thirds](#) of migrant workers who hold work permits for the agriculture sector in fact work informally in the construction sector. By virtue of these labour arrangements, migrant workers can fall into "irregular" status if they change to a different employer or sector to the one stated on their work permit.

On paper, [the provisions of Jordanian labour law](#) apply to workers regardless of their nationality (Jordanian or non-Jordanian) or legal status (regular or irregular workers), however this does not extend to its application. Jordan's Law of Residence and Foreigners' Affairs [criminalises irregular workers](#), putting them at risk of arbitrary detention, arrest and/or deportation and leaving them with limited or no avenues for seeking redress if their rights are violated. In some cases, [workers' attempts to evade job-site inspectors](#) have resulted in injuries and deaths.

Key risks for workers & companies

The huge number of construction workers falling outside legitimate employment structures significantly heightens the risk of abuse and undermines already limited opportunities to raise and address grievances.

- **Discrimination against migrant workers:** The minimum wage for migrant workers in the construction sector is significantly lower than that which applies to Jordanian workers. [Amendments to the labour law](#) set the minimum wage at 220 Jordanian Dinars per month (approximately US\$310), but explicitly state that this does not apply to migrant workers, whose [minimum wage was set at 150 Dinars](#) (US\$211) since 2008 and hasn't been increased since then.

⁴ The ILO's [Media-Friendly Glossary on Migration: Middle East Edition](#) defines an irregular migrant as someone who is not authorised to enter, to stay or to work in the country of destination. In many cases, refugees are treated as irregular migrants and are subject to the same risks due to their lack of legal status. [Informal work status](#), on the other hand, is not tied to workers' nationality or legal status and encompasses workers that "do not have secure employment contracts, worker's benefits, social protection or workers' representation" and therefore includes nationals.

Jobs in the construction sector are also segmented along nationality lines, with Jordanian workers given full-time jobs at the supervisory, administrative and operational level. Egyptian and Syrian workers, on the other hand, are generally employed in short-term, physically-demanding jobs. This division of labour comes about from the country's job classification system whereby managerial and skilled positions are reserved for nationals, and migrants are restricted to low-skilled work. Construction contractors are granted work permits on the basis that they recruit low-skilled migrant workers into the positions, with the consequences that migrant workers are confined to positions that correspond to the skill-level specified in their work permits irrespective of their qualifications.

- **Late payment:** As in other countries, wages in Jordan's construction sector are often delayed. In January 2018, [complaints submitted by migrant construction workers](#) to the General Trade Union of Construction Workers in Jordan were picked up by local media. The workers, employed by contractors on the build of a new St. Regis hotel, reported repeated and months-long delays in receiving their wages. Business & Human Rights Resource Centre invited Marriott International, owners of The St. Regis chain, [to respond to these allegations](#). Marriott relayed the claims to the contractors, Arab Technical Contracting Company and United Development Company for Design, prompting a joint audit that, according to Marriott International's responses, "did not find any violations of [the]... labour law". Also in 2017, an Egyptian construction worker recounted to the Business & Human Rights Resource Centre how he was terminated without notice after raising a complaint for repeated delays in his wages. This case is illustrative of the reasons for migrant workers' general reluctance to raise grievances, given that they can lose their legal residency and right to work if terminated by their employer.
- **Dangerous violations of occupational safety and health:** In 2014, the construction sector recorded the highest rate of worker injuries and deaths in comparison to other sectors in the country. Construction [accounted](#) for nearly 30% of all worker deaths, equating to 44 deaths per 100,000 workers. In comparison, US [data](#) on construction worker deaths in the same year reported 9.8 deaths per 100,000 workers.
The Egyptian and Syrian construction workers employed on the St. Regis project also raised grievances in relation to dangerous working conditions on site and the lack of health insurance and social security. According to [Marriott International's response](#), the contractors' audits did not find any health and safety violations.
- **Impact of the refugee crisis on non-refugee workers:** In an attempt to formalise the Syrian workforce and secure better conditions, the Jordanian Government has eased the process for Syrian refugees to obtain work permits. The ILO negotiated an agreement between the Ministry of Labour and trade unions to introduce temporary work permits for Syrian refugees to work in the construction sector. These will be issued by the General Federation of Jordanian Trade Unions, and unlike in the case of migrant workers, the permits are not tied to a single employer or a specific position, allowing Syrian refugees to work legally as day labourers in construction

While these steps are clearly welcome, they have been accompanied by an extensive crack-down on other informal migrant construction workers (mostly Egyptians), reportedly to open employment opportunities for Syrians. This has resulted in increasing arrests, fines and immediate deportation of numerous migrant workers. In 2017 alone, [9,448 migrant workers were deported](#).



LEBANON

Lebanon's construction labour force

According to 2015 figures, Lebanon's [construction sector accounts](#) for 4.5% of the country's GDP. Surprisingly, the [sector has not retrenched](#) in the wake of the Syria crisis, due to steady growth in demand. Under the donor-funded [Lebanon Crisis Response Plan](#), construction and infrastructure projects are expected to generate 37,000 jobs - mostly in the private sector- 50% of which should go to Syrian and Palestinian refugees. [The Plan specifies](#) that these projects should be "implemented in compliance with Lebanese laws and regulations" and improve decent working conditions.

In theory, the protections under [Lebanese Labour Law](#) extend to migrant workers, who make up a majority of workers in the construction sector. However, the scope of law, including various protections in it related to working hours, pay, termination, and representation, [only extend to foreign workers if they possess a work permit](#) and if there is reciprocity in their home countries (meaning that Lebanese workers would be protected by labour rights legislation in the workers' country of origin).

Syrian construction workers make up 70 – 80% of the construction workforce in Lebanon. Most of them do not have valid work permits or legal residency and are therefore excluded from legal protections and benefits. Lebanon has relied on Syrian workers in the construction sector for decades, driven by a lack of low-skilled Lebanese workers and the relative ease of movement of workers between Lebanon and Syria.

The Syria conflict has increased the number of Syrians compelled to work for low wages and under unfavourable conditions and the construction sector has quickly [capitalised](#) on this. Syrian construction workers [reportedly](#) feel they had more leverage to ask for better conditions before the Syria crisis, and that after the crisis, their legal residency status has become more precarious and the consequences of being deported to Syria has become more dangerous.

The rights of Syrian refugees are significantly constrained under Lebanese law: Lebanon is not party to the 1951 Refugee Convention that places an international obligation on countries to provide refugees with the right to work. Lebanon also tightened its residency policy in 2015, requiring Syrians to either register with UNHCR and sign a pledge to refrain from working, or obtain a pledge of responsibility from a sponsor, many of whom demand [high fees](#) in return for a [sponsorship](#). As a result of these policies, [only 21% of Syrian households had residency permits](#) for all household members in 2016, down from 58% in 2014.

Although some of these restrictions were [lifted](#) in 2016 and 2017, enforcement has been inconsistent, and the overwhelming majority of Syrian workers still cannot work legally in Lebanon. Growing informality in construction work has worsened working conditions and driven down wages, not just for Syrians, but for Lebanese workers too.

Key risks for workers & companies

Growing restrictions on the legal employment and residency of Syrian workers has worsened the vulnerabilities of both Syrian and Lebanese construction workers, making an already risky sector even more dangerous.

- **Lack of information:** There is scant documentation on the working conditions and rights abuses of construction workers in Lebanon, whether through official government, union or media reporting. The hidden nature of the informal workforce makes it difficult to identify risks and detect abuse, underscoring the need for companies to collaborate with civil society and advocates to ensure workers' rights are respected.

- **Unsanitary or unsafe accommodations:** Construction workers, especially Syrian migrant and refugee workers, often live in shared, unsanitary accommodation on job sites. In June 2017, an article in the Daily Star documented the living conditions of [10 Syrian construction workers](#) building a luxury 15-story tower in Beirut, who were housed in two makeshift shacks, constructed from scraps of wood, metal and plastic.
 - **Extortionate sponsorship and recruitment fees:** The requirement that Syrian refugees have a work sponsor has resulted in many Syrians [seeking sponsorship](#) from sponsors who extract exorbitant amounts of money from them to provide the façade of legal residency. Under this arrangement, the sponsor will not employ the worker, who will go on to find employment informally.
 - **Unequal, late or non-payment of wages:** While there is no data specific to construction workers, there are estimates that nearly [70% of Syrian refugees in Lebanon were living below the poverty line in 2017](#), up from 50% in 2015. While minimum wage was raised in 2012 from US\$333 to US\$450 per month, the [ILO](#) notes that “some three-quarters of Palestinians and Syrians employed in Lebanon earned a monthly wage at or below the minimum wage”.
 - **Dangerous violations of occupational safety and health:** The Lebanese construction sector suffers from a serious lack of enforcement of safety and health standards. There are few labour inspectors in Lebanon, and the ILO reports that they are often “poorly trained and lack incentives and logistical support”. The Ministry of Labour does not possess a database of businesses working in construction, which further complicates enforcement. In 2012, an employee of a major Gulf construction firm in Lebanon noted that there had been [numerous health and safety incidents](#), including at least five deaths, on the site he worked on.
 - **Lack of access to grievance mechanisms:** The informality of construction work is a significant obstacle for workers seeking legal redress for labour violations. Syrian workers in particular are in a precarious position due to the lack of legal residency (in most cases), lack of formal work permits and/or contracts, which means they may not feel they are able to raise grievances against their employer in fear of arrest or deportation.
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Qatar's construction labour force

Migrant workers [account](#) for approximately 94% of Qatar's labour force, many of whom are employed in the construction sector. The [top six source countries for labour](#) in Qatar are India (645,577 workers), Egypt (163,596), Bangladesh (160,183), Nepal (151,314), the Philippines (148,496), and Pakistan (133,212), which together make up 85% of migrant workers in the country.

The award of the 2022 FIFA World Cup to Qatar in 2010 drew international scrutiny to the country's construction sector and the treatment of the large numbers of migrants employed as construction workers. The biggest projects under construction in the country are large transport projects solicited and funded by the government including a new rail transport system and the development of Lusail City. Lusail will be home to the stadium hosting the football tournament's opening and closing ceremonies, alongside training facilities, parks and 22 planned hotels.

The basic tenants of Qatar's sponsorship system require every migrant worker who comes to Qatar to have a sponsor, who must also be their employer. Workers require their sponsor's permission to change jobs and to exit the country, enabling employers to exercise significant control over migrant workers ability to leave abusive working conditions.

Legal changes in 2015 were meant to reform this system of sponsorship, but many [contend](#) that the changes are insufficient and leave the system largely intact.

Key risks for workers & companies

Gaps in labour law and enforcement coupled with migrant workers' precarious position and restricted collective bargaining power present significant challenges for companies seeking to provide safe and fair work.

- **Treacherous working conditions:** Construction work is hazardous by nature, with workers at risk of injury and death due to occupational risks including falls, chemical exposure and being hit by objects. In Qatar, risks to workers' health from long hours and overtime to meet project milestones are magnified by high temperatures. In September 2017, Human Rights Watch [issued](#) a call to action to Qatari authorities to adopt and enforce improved heat protection regulations to protect migrant workers toiling in the country's intense heat and humidity. The human rights group also urged the government to investigate and publicise the causes of migrant worker deaths.

A new [technical cooperation program](#) between the Qatari government and the ILO promises to replace the sponsorship system with a contract-based system and remove the current restrictions on migrant workers' ability to change employer and exit the country.

Qatari labour law sets out minimum requirements for employers of migrant workers and financial and administrative penalties for companies that fail to comply with these provisions, but enforcement is weak. The International Trade Union Confederation (ITUC) and Building and Wood Workers International (BWI) submitted a complaint to the ILO in 2014 contending that the country's labour inspection and justice system are "highly inadequate to enforce the few rights that migrant workers do have under Qatari law". The ILO closed the complaint against Qatar in late 2017 on agreement of the three-year technical cooperation program.

A critical gap in Qatari labour law is the exclusion of migrant workers from the right to form or join trade unions. Workers' main avenue for recourse outside of their employer lies with the Ministry of Administrative Development, Labour and Social Affairs' (MOADLSA) complaints mechanism, but workers often fear retaliation for raising complaints, particularly since the law enables authorities to arrest, detain and deport migrant workers who leave their employers without permission.

- **Extortionate recruitment fees:** Recruitment fees are prohibited under Qatari labour law, but prospective migrants are still commonly charged excessive fees by recruitment agents, with many workers resorting to high-interest loans in order to pay them. In January 2018, the Himalayan Times [reported](#) that five Nepali migrant workers paid 75,000 Nepalese Rupees each (approximately US\$730) in recruitment fees to Progressive Manpower, a labour recruitment agency in Qatar. This debt-financed migration traps workers in exploitative conditions, as they are unable to negotiate fair pay and decent working conditions or look for alternative employment at the risk of losing the sole source of income for repaying their debt and supporting their families with remittances.
- **Deceptive recruitment and contract substitution:** It is illegal to change the terms and conditions of workers' contracts under the labour law. However, workers who are misinformed about their salaries, job description and legal status in the country of destination can find themselves in situations akin to forced labour as they have no option but to work for lower wages to meet their debt repayments on recruitment fees. For example, the Nepali migrant workers recruited by Progressive Manpower reportedly [sought](#) assistance to leave Qatar after they were not provided the jobs and salaries they were promised in their contracts.
- **Passport retention and access to personal documents:** Under the law, employers are required to issue workers with visas and residence permits and to ensure that workers are in possession of their passports with access to lockable storage facilities. However, in October 2017, news outlets [reported](#) that 1,300 Nepali workers were stranded in Qatar after their employer went bankrupt and failed to renew their visas. If migrant workers are found without the required documentation by authorities they can be subject to fines, detention and/or deportation.
- **Unequal, late, or non-payment of wages:** Qatari law requires employers to pay workers monthly and within seven days of the payment due date, or else face potential suspension of new work visas and other transactions with MOADLSA. In June 2017, the media [covered](#) the story of 30 migrant workers employed by MegaTec who resigned from the construction subcontracting company after not receiving their salaries for more than four months. More than 100 workers were estimated to be affected by the salary delay altogether, with others opting to continue to work while waiting to be paid. The Business & Human Rights Resource Centre contacted the company multiple times to comment on the allegations, but the company did not respond. In these situations, workers may be forced to go home without receiving their salaries or end-of-service benefits. Source country governments are increasingly having to intervene to provide living support and legal aid to workers embroiled in payment disputes, while destination country governments are having to intervene to allow workers to change employers and/or leave the country without penalty for overstaying their residency period as they await resolution.

Companies that fail to take responsibility for the rights and treatment of their workforce can face reputational and legal consequences.

The award of the 2022 FIFA World Cup to Qatar in 2010 brought increased international scrutiny of the country's construction sector and the plight of migrant construction workers. Between 2014 and 2016 [BBC](#) and the [Guardian](#) published allegations of migrant worker exploitation linked to three UK-headquartered companies operating in Qatar: Carillion, Balfour Beatty, and Interserve. Also in 2016, Amnesty International [published](#) a report implicating several Qatar 2022 World Cup contractors in migrant worker labour abuses. In all cases, the coverage drew public attention to the companies' operations and subsequent efforts to remedy the violations.

Legal action has also been taken against some companies. The French human rights organisation Sherpa [filed](#) a complaint against construction firm Vinci and its Qatar subsidiary in 2015 over alleged use of forced labour on construction sites in Qatar. In the same year, BWI submitted a complaint against FIFA to the Swiss National Contact Point under the OECD Guidelines for Multinational Enterprises for failing to address human rights violations of migrant construction workers building the stadiums for the Qatar 2022 World Cup. And most recently, a lawsuit was [brought](#) against FIFA by the Dutch trade union FNV on behalf of a Bangladeshi migrant worker for the sports body's complicity in the mistreatment of migrant workers in Qatar ahead of the World Cup.



UNITED ARAB EMIRATES

The UAE's construction labour force

Migrant workers in the UAE [comprise](#) an estimated 88% of the population and over 90% of the private sector workforce. The UAE's construction market is characterised by large-scale, mixed-use development projects like Dubai's US\$147 million Dubai Land and Abu Dhabi's continued development of Yas Island. In 2017, the two emirates accounted for almost 95% of the value of projects planned or underway in the UAE.

The transformation of Dubai's skyline and development of Abu Dhabi's islands have benefitted from the stamp of international "starchitects" and high-profile brands synonymous with the best in luxury fashion, culture and education. It is also the involvement of these brands that has drawn attention to the treatment of migrant workers in the UAE, specifically in relation to the construction of the Guggenheim, Louvre, and New York University on Saadiyat Island in Abu Dhabi.⁵

The UAE has [made](#) notable changes to its visa-sponsorship system in the last few years, introducing new rules that make it easier for

workers to terminate their contracts and change to a new employer before the end of their contract, without requiring the employer's permission. This has enabled workers to leave situations where their rights are being violated. Similarly, migrant workers in the UAE do not require their employer's permission in the form of an exit visa to leave the country.

UAE labour law sets out minimum requirements for employers of migrant workers and financial and administrative penalties for companies that fail to comply with these provisions. While disputes between employer and employees can be referred to the Ministry of Human Resources and Emiratization, the [labour law](#) does not recognise the right of migrant workers to organise and form trade unions, and criminalises strikes. In 2014, hundreds of BK Gulf construction workers were [deported and arrested](#) by authorities after staging a work stoppage in protest of low wages. A similarly forceful response met Arabtec workers in [2011](#) and [2013](#) who were striking for better pay and improved housing, food and transport.

Key risks for workers & companies

The lack of avenues for workers to raise grievances without fear of retaliation exacerbates many of the labour rights risks faced by migrant construction workers. Companies that are not responsive to the rights of their workforce face serious reputational and operational consequences as a result.

- **Extortionate recruitment fees:** The UAE labour law prohibits the charging of fees to workers whether "before or after recruitment", which on paper places clear responsibility on companies for fees extorted from workers in the source country before their arrival in the UAE. However, a recent [New York Times investigation](#) into working conditions in the construction of Trump International Golf Club, a joint project between Trump Organization and Damac Properties, found that half the workers they interviewed had paid US\$1,000-1,500 to recruitment companies to get their jobs, equating to more than five months' pay each. We asked Trump Organization and Damac Properties to respond to the claims, only [Damac Properties responded](#).
- **Unequal, late or non-payment of wages:** UAE law requires employers to pay their workers on an at least monthly basis. However, according to the New York Times, Al Arif Contracting—a local construction firm hired by Damac to build parts of Trump International Golf Club – [failed](#)

⁵ See for example: HRW, 2006. [Building Towers, Cheating Workers – Exploitation of Migrant Construction Workers in the United Arab Emirates](#); HRW, 2015. [Migrant Workers' Rights on Saadiyat Island in the United Arab Emirates – 2015 Progress Report](#); Nardello & Co., 2015. [Report of the Independent Investigator into Allegations of Labor and Compliance Issues During the Construction of the NYU Abu Dhabi Campus on Saadiyat Island, United Arab Emirates](#).

to pay workers their salaries for weeks and months on end, prompting strikes. In a similar case, Legend Project Contracting allegedly failed to pay its workers for more than 10 months, leaving workers without food or access to medical care. In light of such cases, the [Indian embassy has announced a financial assistance program](#) aimed at supporting low-wage construction workers in the UAE, a group “known to experience delays to salaries”. The fund will cover the costs of labour disputes and fines levied at workers “that have been wronged by their employers or face illegal stay fines that are not their fault.”

- **Passport retention and personal documents:** It is illegal under UAE labour law for companies to retain workers’ passports. Nevertheless, migrant workers employed by Legend Project Contracting in Abu Dhabi had their passports retained by the company. When the company’s projects dwindled, it also cancelled the workers’ visas or let them expire, further restricting their freedom of movement within the country and ability to transfer employers. [The case](#) came to the attention of the media after the death of an Indian worker, Hari Shankar Singh, whose body was kept in a mortuary for 19 days while his family and colleagues tried to obtain his passport from the company in order to process the paperwork for his repatriation.
- **Treacherous working conditions:** Recent research [attributes](#) injuries and fatalities among construction workers in the Gulf to inadequate training, limited use of safety equipment and lack of government oversight and asserts that risks to construction workers are worse than elsewhere due to migrant workers’ lack of right to collective bargaining and limited means to seek recourse. In November 2017, local media [reported the death](#) of a 30-year-old worker following a landslide on a construction site in Ras Al Khaimah. Two other workers were injured. A month prior, Indian media [wrote on the deaths of Indian workers in Dubai](#), with government officials citing stress, ill health and work in “searing temperatures” as the most common causes of death.
- **Inadequate grievance mechanisms:** Under UAE law, migrant workers can submit labour complaints to the Ministry of Human Resources and Emiratization. In the event that the Ministry cannot settle the dispute, it is referred to the competent court. Workers of Legend Project Contracting who had their passports wrongfully withheld by the company attempted to register their complaints with authorities on several occasions. They [described](#) the process they encountered in the UAE labour courts to obtain their passports and salaries owed by their employer: “we have been doing the round of court for some time [...] we are tired running around.” Between January and August 2016, the workers were bounced between the Abu Dhabi and Dubai labour courts and attended several hearings; they also registered a complaint against the company with the Indian Workers’ Resource Centre, the welfare arm of the Indian Embassy. Yet it was only when the media reported on the story in August 2016 that their passports were returned, and their visas transferred or renewed.

CONCLUSION

This paper highlights the extraordinary scale of labour abuse that many construction workers face each day in the Middle East. It also underlines the risks that global construction groups and local construction companies are running through negligence or ignorance in their supply chains. Many other industries have already faced massive reputation risk from applying different standards to workers' rights "at home" in comparison to their operations elsewhere, prompting them to find ways to confront abuse and uphold workers' rights.

The structure of the industry and its supply chains are set up in ways that facilitate abuse and provide 'plausible deniability' to companies higher up in the contracting chain. With the continuing growth of construction in the Middle East, construction companies have the opportunity to transform their approach and put human rights at the centre of their operations and supply chains. If they do not, the scale of public scrutiny and opprobrium will only continue to grow.

RECOMMENDATIONS

Major gaps in labour rights protections in the Middle East worsen risks to workers in construction operations and supply chains. Within this context, companies have a fundamental role to ensure safe and decent working conditions for construction workers at risk of serious abuse without redress. This briefing focuses on the role of companies to respect human rights, for more information on recommendations to governments, see "[Exploratory study of good policies in the protection of construction workers in the Middle East](#)", ILO (2018).

What action should companies take, and investors insist on?

The recommendations below are based on priority areas identified in authoritative reporting and benchmarking standards on human rights: the [UNGP Reporting Framework](#) and [Corporate Human Rights Benchmark](#).

Leadership and Management:

- **Exercise human rights leadership at the director level and report annually to the board on performance:** Company commitments to human and labour rights should be led by and approved by executive leadership, and the company's performance against these commitments reviewed by its board.
- **Embed responsibility for ethical labour practices throughout company operations:** Companies should have dedicated personnel and budgets to operationalise policy and procedure to respect workers' rights, with a mandate to operate across all relevant departments. They should provide training to ensure management competence and worker awareness.

Human Rights Policy and Transparency:

- **Adopt a public commitment to respect workers' rights:** Companies should make a public commitment to respect workers' rights as listed in the ILO Declaration on Fundamental Principles and Rights at Work and the eight related ILO conventions.
- **Address informality:** Companies should have specific policies and procedures in place to deal with risks arising from their reliance on an informal workforce. Companies should ensure that informality does not deprive workers of basic labour rights, including social and health insurance, occupational health and safety, living wages, and access to grievance mechanisms.

- **Address supply chain risks:** Companies should select and assess potential business partners based on their ethical labour practices when procuring external services and labour. They should publish and enforce a code of conduct that contractually requires partners, sub contractors, recruitment agents and other contracting entities to adhere to company policies on the treatment and rights of workers, with penalties for non-compliance. Companies should consider including clauses in these contracts that limit contracting entities from further sub contracting or outsourcing, or obligate subcontractors to apply the same standards through their own supply chains.
- **Report annually on human rights performance, with an emphasis on high risk regions and groups:** Companies should publicly communicate how they have addressed their human rights impacts when operating in high-risk contexts or with high-risk groups.

Due Diligence and Remedy:

- **Undertake deep dive research in supply chains to identify and monitor risks to workers:** Companies should conduct robust due diligence to identify vulnerable workers and human rights risks in the countries where they operate.
- **Develop and implement action plans to prevent abuse and mitigate risks to workers:** Companies should develop tailored action plans to ensure the human and labour rights of construction workers in different geographies, and to address the specific vulnerabilities of workers who have migrated, fled conflict, or are engaged in the informal workforce. These procedures should address key risk areas, including payment of recruitment costs and reimbursing workers found to have paid fees; paying workers a living wage, on time and in full; avoiding wage discrimination; enforcing maximum working hours and overtime pay; ensuring workers have sole, secure possession of their passports; providing safe and decent working and living conditions; and where worker organising is restricted under law, finding alternative avenues for worker voice and representation, such as through elected worker committees.
- **Institute effective, accessible grievance mechanisms and provide remedy when abuse does occur:** Companies should establish and implement strong grievance mechanisms in line with the Guiding Principles' effectiveness criteria, which specify that grievance mechanisms should be: legitimate, accessible, predictable, equitable, transparent, rights-compatible and a source of continuous learning. Companies should ensure robust protection for workers from threats and retaliation and demonstrate timely and effective remedy of grievances raised.

Stakeholder Engagement and Advocacy

- **Engage in collaborative action with:**
 - ◆ Industry groups: Companies should collaborate with other contractors and construction actors to identify risks and good practice, develop industry-specific guidance, and push for pre-competitive industry-wide labour standards. They should explore ways to collectively influence the labour practices of shared labour suppliers and subcontractors.
 - ◆ Civil society: Companies should engage with and support local NGOs, migrant worker and refugee support groups, and trade unions in carrying out due diligence and risk mapping, recognising that these groups play a key role in helping companies understand and monitor risks, advocate for change and implement solutions.
- **Support reform of government procurement practices:** Companies should support government and international financial institution efforts to build human and labour rights criteria into their tendering documents and financing terms, creates a level-playing field for companies with regards to worker welfare.
- **Advocate for legal reform:** Companies should use their leverage with governments to call for reform of the labour laws that put workers at risk, better enforcement of existing laws that uphold workers' rights, and the expansion of civic freedoms.

KEY RESOURCE LIST

[UN Guiding Principles on Business and Human Rights](#)

Also available in [Arabic](#)

[Dhaka Principles for Migration with Dignity](#)

Institute for Human Rights and Business, 2012

[Doing business with respect for human rights](#)

Global Compact Network Netherlands, Oxfam & Shift

[Ethical Labour Sourcing Standard](#)

BRE, 2017

[Guidelines for a Better Construction Industry in the GCC: A Code of Conduct for Construction Companies](#)

Human Rights Watch, 2015

[Decent Work for Migrant Workers in Qatar: Role of Construction Companies](#)

*Building and Wood Workers International, 2015
Development, 2017*

[Global Business and Refugee Crises: A Framework for Sustainable Engagement](#)

Cindy Huang, Center for Global Development, 2017

About Business & Human Rights Resource Centre

Business and Human Rights Resource Centre is an international NGO that tracks the human rights impacts (positive & negative) of over 7000 companies in over 180 countries making information available on its eight language website. We seek responses from companies when concerns are raised by civil society. The response rate is over 75% globally.



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