Migrant Workers and the FIFA World Cup 2022 in Qatar: Actions for Business

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About This Report

This report was written by Guy Morgan, Lindsey Lim, Lewis Xie, and Julia Beier, with the financial support of the MacArthur Foundation as part of the Migration Linkages Initiative.

Findings are based on reviews of available literature, as well as interviews with the individuals listed below.

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Any errors that remain are those of the authors. Please direct comments or questions to Guy Morgan at gmorgan@bsr.org.

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Executive Summary

The Middle Eastern nation of Qatar has attracted global attention with ambitious projects in the last few years, including the Qatar Foundation’s sponsorship of the Barcelona football club, the financial backing of London’s “Shard” (Western Europe’s newest tallest building), and Qatar’s hosting of the 2022 FIFA World Cup. This mega-sporting event, the most watched in the world, will present Qatar with great opportunities as well as risks in the next decade, including in relation to managing a huge influx of migrant workers.

Qatar is planning to invest more than $250 billion to build 12 stadiums, 70,000 hotel rooms, and a network of road and rail links. The investment is expected to trigger rapid economic development in Qatar, a nation already enriched by oil and gas reserves, as well as the highest per capita income in the world.

The human and business risks associated with Qatar’s hosting of the World Cup—the “Mega-Sporting Effect”—stem from the influx of an estimated 500,000 to 1 million foreign workers who will be called upon to build the infrastructure for the event.¹ Human Rights Watch (HRW) warned in a recent report that these migrant workers could face abuses related to recruitment, wages, working, and housing conditions in Qatar.²

Multinational companies and local enterprises engaged in building the infrastructure for the World Cup and executing the actual event in 2022 need to understand the risks to their business if they are implicated in migrant worker abuses. They also need to understand that business can play a central role in

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² Ibid., p. 39.
addressing potential migrant worker abuses from the beginning. As part of its Migration Linkages initiative, BSR has produced this horizon brief to:

» Highlight risks for migrant workers in Qatar in the run-up to the 2022 FIFA World Cup.
» Discuss the implications of these risks for global and local business engaged in the planning, construction, and execution of the event.
» Propose solutions for business that protect migrant worker rights and mitigate associated business risks.

In this brief, BSR frames findings and recommendations by looking at structural issues affecting migrant workers in Qatar and other Gulf Cooperation Council (GCC) countries. The brief also considers contextual issues specific to how these workers will be affected by the 2022 FIFA World Cup.

The brief concludes that an effective plan to prevent abuses of migrant workers during preparations for the 2022 FIFA World Cup must address the underlying issues affecting migrant workers in the region, as well as specific issues that could arise in the context of bringing in hundreds of thousands of additional workers to build infrastructure projects for the event. Business involved both directly and indirectly in hiring and employing migrant workers in Qatar should address these structural and contextual issues with an approach that includes the following elements.

» **Education:** Conduct due diligence on the potential human rights and business risks of directly or indirectly employing migrant workers. Map local and international groups with a stake in the issues.

» **Engagement:** Explore potential partnership opportunities with the Qatari government, peer companies, and the local community to uphold migrant worker rights effectively.

» **Expansion:** Leverage learning from the engagement process to address structural issues relating to recruitment and employment of migrant workers elsewhere in the region and at other mega-sporting events.
Foreign Labor in GCC Countries

Since oil was discovered in the Persian Gulf in the early 20th century, there has been a constant influx of migrant labor from Asia and other Arab countries to the six countries of the GCC—Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE). Foreign workers have filled a void created by the lack of a local workforce and the lack of local know-how. The biggest percentages of foreign workers in the GCC are in Qatar (94 percent)\(^3\), which has the highest ratio of migrants to citizens worldwide; the UAE (82.3 percent); and Kuwait (81.7 percent)\(^4\). Most of the workers in these nations come from India, Pakistan, Bangladesh, the Philippines, and Indonesia.

In the face of high dependency on foreign labor and rising unemployment in the local population, GCC country governments are implementing labor policies to promote the hiring of local workers. The policies have two main goals: To reduce the supply of foreign labor and to increase the demand for local workers.\(^5\) In most GCC countries, for example, laws state that jobs should be offered to national citizens before they are offered to foreign workers.\(^6\) Also, local governments are limiting the number of new visas they issue, and are creating new taxes and fees to reduce the attractiveness of the Gulf as a destination for foreign workers.\(^7\)

Governments also are seeking to drive demand for local labor by providing cash benefits to those employing local workers and instituting local worker quotas by industry. In 2000, Qatar launched its first “Strategic Qatarization Plan,” which aimed to fill 50 percent of the workers in the oil, gas and energy sectors with Qatari nationals by 2005.\(^8\) Though the deadline passed a while ago, the goal is still in place. Similar targets exist in other GCC nations; the UAE has a target to reach 50 percent of nationals in the country workforce by 2015. There, government officials have set quotas in certain sectors such as banking and financial services, and have banned foreigners from certain positions, including human resources, personnel managers and most secretarial positions.\(^9\) In Saudi Arabia, foreign workers are being phased out of 25 occupations, including travel, gold and jewelry shops, and grocery stores.\(^10\)

Despite these efforts, international migrant workers likely will compose a significant proportion of the labor force in GCC countries for the foreseeable future—certainly in those instances where unskilled labor is required. When considering these workers, one must investigate issues common to all migration corridors, as well as those specific to the GCC. The diagram on p.7 (below) aims to capture some of these points, taking care to note which elements likely will be exacerbated in Qatar during the preparation and planning, construction, and execution of the 2022 FIFA World Cup.

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System Issue: The Kafala System in the Middle East

THE SPONSORSHIP SYSTEM DEBATED AND REVISED
Many GCC countries have adopted a sponsorship system (known locally as the kafala system or kafeel) to regulate incoming foreign labor. In the kafala system, a foreign worker must be sponsored by an employer to obtain his or her entry visa and right to employment. The worker’s right to work is tied to a single employer; for this reason, changing employers is very difficult after the worker has entered the country.

On the one hand, the sponsorship system provides local authorities with an important tool to regulate and monitor the flow of incoming labor. On the other hand, critics of the kafala system (which include the U.S. Department of State, the United Nations and HRW) insist that the system increases worker vulnerability if abuses such as unpaid salaries or unsafe working conditions occur. Critics also claim that the sponsorship system establishes barriers for the worker to leave a job if such violations occur, and that kafala actually restricts freedom of movement for foreign workers.

Hosting the World Cup in 2022 could provide Qatar with an incentive to reform its current sponsorship system because of the 500,000 to 1 million additional foreign workers that will contribute to the infrastructure for the event. But according to...
HRW, Qatar’s *kafala* system is one of the strictest sponsorship systems in the GCC, and the government has currently no intention to abolish it.

Nevertheless, in recent years some other GCC countries have reconsidered their versions of *kafala*. In 2009, Bahrain became the first GCC country to eliminate its sponsorship system, and leaders in Kuwait currently are examining ways to put an end to the system in that country, as well. In Bahrain, once *kafala* was removed, the government conducted an awareness-raising campaign to educate foreign workers on their rights under the new law. This effort included pamphlets and a telephone hotline for victims. In other countries, such as the UAE and Saudi Arabia, new laws allow workers to change sponsors without the sponsor’s consent if the employer has failed to pay wages for multiple months.

Recruitment, Employment, and Termination/Repatriation Chain Issues

There are a number of issues associated with the recruitment, employment, and termination/repatriation of international migrant workers for GCC countries, including Qatar. Many of these issues have been observed in other migration corridors, notably Southeast Asia, and wherever semi-skilled and unskilled workers move from one country to another for employment.

**RECRUITMENT PRACTICES OFTEN INVOLVE VIOLATIONS OF MIGRANT WORKER RIGHTS**

Although the practice is prohibited in certain countries, some recruitment agencies in both origin and destination countries charge migrant workers exorbitant fees to arrange employment contracts, obtain employment visas, and purchase air travel. Additionally, employers can deduct fees from migrant worker paychecks to recoup original recruitment fees. According to research by Verité, some of these fees can be up to US$4,100 for an Indian worker migrating to the GCC, more than a full year’s paycheck for the average construction worker. After paying these fees, workers often fall into debt, hoping they will be able to repay the fees after being hired.

Another common violation: Employers withhold a worker’s passport upon initial employment. When companies do this, it inherently restricts freedom of movement. This practice is illegal in many GCC countries including Qatar. Still, some recruitment agencies have documented that employers confiscate passports to prevent workers from leaving without their permission. Some employers note that often workers ask companies to hold their passports for safe-keeping and to prevent loss or theft.

**RIGHTS TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING ARE LIMITED**

In Qatar, the Labor Law allows national workers to join unions, but it does not allow for international migrant workers to join trade unions or engage in collective bargaining.
bargaining. Kuwait gives more rights to foreign workers than other GCC countries; a migrant worker must live in the country for at least five years and obtain a “Certificate of Good Conduct” to join a union (at which point he or she can engage in collective bargaining and go on strike if needed). In April 2009, more than 300 cleaning and security workers held a strike over unpaid wages; as a result, authorities summoned the owner of the company to pay all late wages. The UAE prohibits trade unions and does not recognize the right to collective bargaining at all. Foreign workers can be banned from working for a year if they strike.

The table below provides additional details on workers’ rights in other GCC countries.

<table>
<thead>
<tr>
<th></th>
<th>Bahrain</th>
<th>Kuwait</th>
<th>Oman</th>
<th>Qatar</th>
<th>Saudi Arabia</th>
<th>UAE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right to belong to a trade union</td>
<td>Yes</td>
<td>Limited for migrant workers</td>
<td>Yes</td>
<td>Not possible for migrant workers</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Right to collective bargaining</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Limited for all workers</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Right to strike</td>
<td>Limited for all workers</td>
<td>Yes</td>
<td>Yes</td>
<td>Limited for all workers</td>
<td>No</td>
<td>Not possible for migrant workers</td>
</tr>
</tbody>
</table>

Sources:

INADEQUATE HOUSING CONDITIONS IN WORKER CAMPS
Migrant workers in the GCC usually live at work sites in subdivided villas, or in labor camps on the outskirts of large cities. Conditions in labor camps vary widely from satisfactory to abysmal, with up to 25 people living in one room, and up to 30 people sharing one bathroom. There also is no guarantee of clean drinking water; a 2011 survey of 1,114 construction workers by the Qatar National Human Rights Committee revealed 17.3 percent of migrant workers in Qatar’s construction sector were not provided potable water at their accommodations.

Doha’s industrial area, located about 10 kilometers from the city’s center, is home to approximately 200,000 low-income workers. Within this stretch, housing quality seems to be correlated to the size of employer; large international firms provide relatively better housing, while smaller companies provide housing that can be described as subpar. Companies that provide adequate housing also seem to be more likely to pay wages on time and provide better benefits.
In order to improve the housing conditions of foreign workers, a Laborers’ City with the price tag of QAR$3 billion, has been planned for the industrial area by the Qatari authorities. All told, this city would be large enough for 53,000 workers.

POOR ENFORCEMENT OF LAWS PROTECTING MIGRANTS
Laws exist in the GCC to protect migrant workers during the employment cycle, but they are not always enforced. For example, Qatar’s regulations for worker housing are strict but many companies do not comply with them. The Labor Law (enacted in 2004) and Ministerial Decree 13 (enacted in 2005) regulate inspection procedures that apply to work sites and housing facilities, and Ministerial Decree 17 outlines requirements for worker housing. These laws require that companies need to provide adequate housing in advance of recruitment to obtain a license to recruit foreign workers. But these requirements are not fulfilled all the time.

Qatar’s Labor Law also provides strong guidelines to protect workers with regard to maximum working hours per week, health and safety standards at work, and paid vacation time. In the case of migrant workers, however, these guidelines often are ignored.

When they try to complain about failures in enforcement of these laws, foreign workers face additional challenges, such as an almost-insurmountable language barrier. In Qatar, most service hotlines are exclusively in Arabic, a language that most migrant workers do not speak. Workers also might risk losing their jobs or accommodations when they speak up. As a result, many migrant workers tolerate mistreatment and the low enforcement of their rights.22

NON-PAYMENT OF WAGES AND NON-GRANTING OF EXIT VISAS
According to the Qatar National Human Rights Committee survey of migrant workers in Qatar, low wages, underpayment and non-payment of wages were the biggest complaints of foreign workers. Specifically, 33.9 percent of 1,114 respondents said that they had not been paid on a regular basis.23

Exit visas potentially could pose an additional problem; workers indicate that a number of Qatari companies force them to pay to leave the country once temporary employment ends. Because many migrant workers who come to Qatar to build or raze facilities for the World Cup only will be in the country for a few months, they could be victimized by this practice. Reports from HRW indicate that the only alternative for workers in these situations is to undergo a lengthy court process to obtain exit permits.24

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22 Ibid., p. 78.
23 Ibid., p. 62f.
24 Ibid., p. 77
The Mega-Sporting Effect: 2022 FIFA World Cup

Up to 1 million migrant workers likely will move to a number of cities in Qatar to build and staff the required infrastructure for the 2022 FIFA World Cup. This influx of migrant workers from a number of different countries over a short period of time is expected to place a strain on a system that currently is not equipped to house, assimilate, and repatriate the workers in a manner that protects their human rights. Based on conversations with experts, BSR anticipates that the following issues relating to the employment of migrant workers will be exacerbated by preparations for and execution of the World Cup.

**HIGHER INCIDENCE OF WORK-RELATED INJURIES AND DEPRESSION**
Currently, migrant workers who live in the Doha industrial area are clustered on the outskirts of the city. Rates of depression in this area are rising, as workers face geographical isolation, poor housing conditions, and a lack of leisure activities.\(^{25}\) It has been reported that five housing inspectors are assigned to cover the entire Doha industrial area, a number which is not considered adequate given the volume of migrant workers anticipated.\(^{26}\) Already, a number of construction companies are reported to be taking advantage of insufficient supervision in this region, and are failing to provide workers with safe living conditions, increasing the likelihood of serious injuries.

**INCREASED TENSIONS WITH THE LOCAL POPULATION**
Migrant workers inadvertently may be caught up in other social problems that could surface during the execution phase of the World Cup. One issue: seat fillers. During the Asian Cup final between Australia and Japan in Doha during 2011, for instance, there were reports of migrant workers being brought in to fill empty seats while late-arriving fans with paid tickets were locked out of the stadium for security reasons. Riot police were brought in to control the indignant fans locked outside. Migrant workers were caught in the crossfire.\(^{27}\) Being cognizant of issues such as this, which are often rooted in cultural expectations and norms, will be important for the Qatari authorities to consider in relation to the 2022 FIFA World Cup.

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Relevance to Business

The 2022 FIFA World Cup represents a huge business opportunity for companies involved in the planning, construction, and execution phases. The diagram below outlines the types of companies associated with each phase, along with the business risks associated with poor migrant labor practices.

PREPARATION AND PLANNING PHASE
The German architect, Albert Speer & Partner, played a key role in development plans for the stadiums in Qatar. For companies like this one—companies that are involved in the preparation and planning phase—there are clear business risks associated with failing to address poor migrant labor practices; even if these companies are not directly employing migrant workers, their involvement in the value chain indirectly implicates them. For example, in February 2011, Ramboll, a Danish engineering consultancy, found itself in the media spotlight after accusations that it had worked with local contractors which employed migrant labor under “slave-like” conditions in GCC countries. The fact that the company itself was no more than an advisor to larger construction projects did not protect it from intense negative media coverage.

CONSTRUCTION PHASE
Deutsche Bahn AG is creating a new subway and rail networks in Doha in advance of the 2022 FIFA World Cup. Additionally, the company is building high-speed train connections with Bahrain and Saudi Arabia. Hochtief, a German construction company, also is heavily involved in these and other construction projects relating to the preparations for the World Cup. Given that the majority of manual laborers will be international migrants, there are a number of business risks for companies associated with failing to uphold workers’ rights.

» **Project Costs:** Experience has shown that during the construction before other major sporting events (including the Olympics), workers have gone on strike over compensation and working conditions, thus delaying project completion. Host governments in these cases forced companies to pay fines when critical deadlines were missed. Companies can avoid strikes and the delays and costs they bring by treating workers better in the first place.

» **Market Access:** Companies operating in Qatar must apply for permits from the Labor Ministry to employ migrant workers before the workers can go to

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work. The government can withdraw permits if it finds companies are not acting in the best interests of workers.

Reputation: Given the global profile of a mega-sporting event such as the 2022 FIFA World Cup, media scrutiny around labor practices can be intense and often is conflated with other current and legacy issues. Negative media coverage can have a negative impact on the reputation of a company involved in the event. GE, for example, was singled out in advance of the Beijing Olympics in 2008, when advocacy groups suggested that by associating itself with the Games the company implicitly was endorsing the Chinese government’s policies relating to freedom of expression. Similarly, many used the London Olympics to criticize Dow, which produced a chemical shroud around the main Olympic stadium, for its alleged complicity in the Bhopal disaster in 1984.29

EXECUTION PHASE
Once the stadiums and infrastructure for the 2022 FIFA World Cup have been completed, other companies, including retailers and consumer products companies, will start communicating their respective sponsorships of the World Cup. Companies that link their brands to the World Cup must be cognizant of the potential reputational fall-out from doing so, and have a stake in ensuring their brands are not associated with any negativity surrounding the different phases of the event. Again, while they may not be directly involved in recruiting and employing migrant workers, corporate branding of the stadiums that were built by companies that used migrant labor creates an explicit association, especially in the minds of advocacy and pressure groups wanting to focus attention on a specific agenda.

Solution Sets

We recommend that business involved both directly and indirectly in hiring and employing migrant workers in Qatar in the run up to the 2022 FIFA World Cup address both structural and contextual issues with an approach that includes the following general elements.

» **Education:** Conduct due diligence on the potential human rights and business risks of directly or indirectly employing migrant workers. Map local and international groups with a stake in the issues.

» **Engagement:** Explore potential partnership opportunities with the Qatari government, peer companies, and the local community to uphold migrant worker rights effectively.

» **Expansion:** Leverage learning from the engagement process to address structural issues relating to recruitment and employment of migrant workers elsewhere in the region and at other mega-sporting events.

Given that business risks differ depending on the project phase (preparation and planning, construction, and execution), the following chart provides more specific illustrations of the manner in which the approach to solutions can be employed by different companies.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Education</th>
<th>Engagement</th>
<th>Expansion</th>
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</thead>
<tbody>
<tr>
<td><strong>Preparation and Planning Phase</strong></td>
<td>Undertake due diligence to understand current and evolving business risk exposure associated with failing to uphold migrant worker rights in the run up to 2022.</td>
<td>Engage with value chain partners upstream and downstream, including project financiers (such as the Qatari government) and construction firms to ensure they are aware of the risks associated with inaction on migrant worker rights issues. Discuss ways in which risks can be mitigated through collaboration.</td>
<td>Explore the potential creation of a business-led global forum on migrant worker rights that discusses good practices across the recruitment, employment, and repatriation chains to uphold migrant worker rights, and the business value that can accrue from doing so.</td>
</tr>
<tr>
<td><strong>Construction Phase</strong></td>
<td>Inform risk exposure by mapping local and international groups that focus on international migrant worker rights and the links with initial project financing and design.</td>
<td>Engage with the Qatari government on recruitment issues and with worker recruiters in origin countries to define ways in which costs of recruitment do not fall on workers' shoulders. Determine ways to undertake pre-departure and post-arrival training for workers to increase awareness for individual rights.</td>
<td>Proactively engage with advocacy groups (both locally and internationally), focusing on migrant worker rights and labor issues to anticipate risk, and define potential partnership opportunities to address them.</td>
</tr>
<tr>
<td><strong>Execution Phase</strong></td>
<td>Research current labor laws and specific implementation gaps in both origin and destination countries. Map stakeholders involved in recruitment and contracting process of migrant workers for the construction sector.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Given the varying project phases, the following chart demonstrates how the approach can be adapted:

1. **Preparation and Planning Phase**
   - Undertake due diligence on current and evolving business risk exposure associated with failing to uphold migrant worker rights in the run up to 2022.
   - Engage with value chain partners upstream and downstream, including project financiers (such as the Qatari government) and construction firms to ensure they are aware of the risks associated with inaction on migrant worker rights issues. Discuss ways in which risks can be mitigated through collaboration.

2. **Construction Phase**
   - Engage with the Qatari government on recruitment issues and with worker recruiters in origin countries to define ways in which costs of recruitment do not fall on workers' shoulders. Determine ways to undertake pre-departure and post-arrival training for workers to increase awareness for individual rights.

3. **Execution Phase**
   - Explore the potential creation of a business-led global forum on migrant worker rights that discusses good practices across the recruitment, employment, and repatriation chains to uphold migrant worker rights, and the business value that can accrue from doing so.
Conclusion

Hundreds of thousands of international migrant workers will be involved in building extensive infrastructure for the 2022 FIFA World Cup in Qatar. Many already have expressed concerns that these workers’ rights have the potential to be undermined as a result of structural and contextual issues associated with building for a World Cup from scratch. While there are legal provisions in place to safeguard worker rights in Qatar, it is clear that business can play a role in ensuring that the laws are implemented and upheld successfully during the different phases of the project (preparation and planning, construction, and execution).

For business, the value-drivers associated with managing migrant worker rights depend on where a company sits in the project chain. Those involved in preparation and planning can justify actions to safeguarding worker rights through gaining greater access to capital. Those involved in the construction phase can see reduced costs in the long run by ensuring workers are treated well. During the execution phase, companies must be cognizant of the reputational risks which can be mitigated by upholding migrant worker rights.

To date, the mechanisms by which companies can take action to protect migrant worker rights include the creation of policies, processes, and programs that address specific risk areas or project sites. Certainly, companies will be well served by doing the same in relation to the 2022 FIFA World Cup in Qatar. Moving forward, their approach toward migrant worker rights should be underpinned by robust stakeholder engagement in partnership with civil society, government, and corporate peers. The resulting solutions could provide a model for business interventions on migrant worker issues in other GCC countries and, more broadly, in relation to mega-sporting events around the world.