

Investing in Decent Work

Building a legacy?

Human capital risks in Qatar's construction sector



About the CWC

The Global Unions' Committee on Workers' Capital (CWC) is an international labour union network for dialogue and action on the responsible investment of workers' capital. It is a joint initiative of the International Trade Union Confederation (ITUC), the Global Unions' Federations (GUFs) and the Trade Union Advisory Committee to the OECD (TUAC).

The CWC works to build the capacity of union pension trustees on responsible investment issues, monitor global trends and policies related to corporate and financial market governance and examine ways in which the responsible investment of workers' capital can yield economic and social value in our communities.

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Introduction

Project summary and highlights

The CWC's "Investing in Decent Work" briefing paper series highlights the relevance of labour rights for investment decision-making.

The series encourages employee representatives and trade union pension trustees in particular, to recognize that they are uniquely positioned to ensure the companies in which they invest have progressive policies and practices on core labour standards.

This briefing paper focuses on the theme of migrant workers' rights in the Qatari construction sector. The research is nested within a broader series of concerns about the sustainability legacy and long-term impacts that mega sporting events have on workers. In particular, the brief places strong corporate performance on human capital management in the context of a responsible approach to investing that is geared towards maintaining shareholder value and long-term sustainability.

The key findings of the paper show that:

- 1) There is a breadth of evidence pointing to labour rights violations in the context of mega sporting events (MSEs). Qatari infrastructure projects are no exception.
- 2) A review of relevant policy and academic research points to a positive relationship between human capital management and financial performance at the firm level. The Kafala (sponsorship) system through which workers are employed in the Qatari construction sector is a barrier to optimum human capital management.
- 3) Investors are exposed to the Kafala system in Qatar through equity holdings in multinational construction companies, private equity investments and corporate debt holdings. It is estimated that more than 40% of the world's top 250 international contractors are actively participating in projects in Qatar, have an office in the country or are actively pursuing opportunities there. Out of these companies, a significant number are headquartered in OECD countries and are publically-listed companies with widely held ownership.
- 4) The lack of attention to labour rights in the Qatari construction sector is associated with clear operational, reputational and regulatory risks for companies and investors. Companies are expected to honour the OECD Guidelines for Multinational Enterprises which recognize the right of workers to establish or join trade unions but Qatari law restricts migrant workers from forming or joining a trade union. To demonstrate that they are honouring the principles found in the OECD Guidelines without being in violation of Qatari law, multinationals operating in Qatar – and their investors to whom the Guidelines also apply – should consider practical approaches such as establishing joint worker-employer health and safety committees.

The paper's findings are significant for investors that are committed to integrating human capital management factors within their investment decision-making and to meeting their obligations to avoid being linked to adverse human rights impacts. Moreover, this situation creates a viable opportunity for higher levels of targeted shareholder activism to improve corporate performance and disclosure on human capital management. The paper also lays out a framework for pension trustees interested in addressing this issue, as is relevant to their pension fund's investments.





“Human capital is defined by the OECD as “the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being”.¹

Defining human capital

Human capital is defined by the OECD as “the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being”.¹ There is growing recognition by diverse actors in the global financial system about the link between a company’s human capital management practices and long-term shareholder value.

The International Finance Corporation (IFC) observes that the ability of a company to foster cordial worker-management relationships may contribute to worker commitment and retention, reduce work stoppages and enhance efficiency and productivity of operations.² These sound worker-management relationships are based on the protection and respect of fundamental rights of workers which have been established and agreed to at a multilateral level through international conventions and instruments, including those of the International Labour Organisation’s core labour standards (ILO Core Conventions) and a number of United Nations Conventions.³

More recently, in 2013 signatories to the United Nations-backed Principles for Responsible Investment (UN-PRI) undertook a collaborative engagement on employee relations with the view that human capital management needs to be better integrated in evaluations of company performance. Speaking to the PRI’s efforts in this regard, Anna Pot, Senior Sustainability Specialist at Dutch investment group APG, pointed out that developing valuable metrics is crucial for helping to determine how well managers are performing within an organisation. This in turn constitutes a key indicator for company performance.⁴

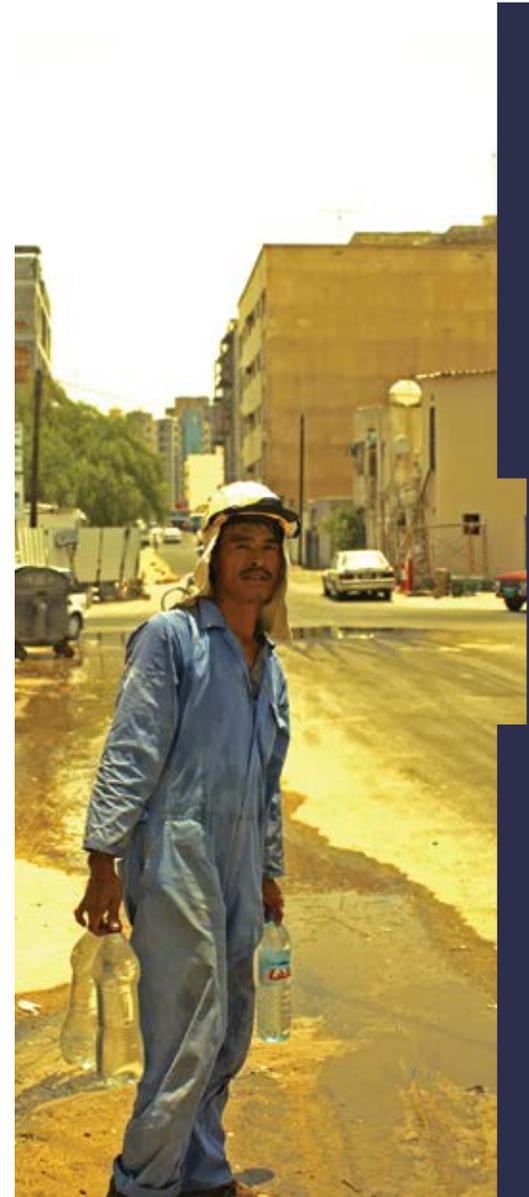
In response to increasing demand from investors, Business in the Community’s (BITC) Workwell campaign is developing better metrics for investors looking to assess business’ commitment to improving worker engagement and wellbeing.⁵ Similarly, the International Integrated Reporting Council (IIRC) and the U.S.-based Sustainability Accounting Standards Board (SASB) have identified human capital as one of the core capitals that must be considered to determine a company’s prospect for long-term success and sustainability.⁶

It should be noted, however, that the materiality of specific indicators related to human capital varies by sector. The construction sector is characterised by its

labour-intensive nature and volatility based on economic conditions and seasonal work-cycles. In order to carry out their work, construction companies rely on direct workers, contracted workers and supply chain workers. Workers in the latter two categories are particularly sensitive to economic and seasonal pressures on the demand for their labour.

Table 1: Key performance indicators for human capital management in the construction sector⁷

Theme	Performance indicators
Freedom of association and collective bargaining	Number and total duration of work stoppages (including description of reason for work stoppage, impact on production and corrective actions taken)
	Percentage of active workforce covered under collective bargaining agreement broken down by country
	Operations, suppliers and joint venture partners identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights
Occupational health and safety	Total recordable injury rate
	Fatality rate
	Near miss frequency rate for a) full-time employees, b) contract workers and c) short-service workers
	Percentage of the organisation operating in verified compliance with an internationally recognized health and safety management system
Training and education	Average hours of training per year, per worker by gender and by worker category
Non-discrimination	Total number of incidents of discrimination and corrective actions taken
	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms
Forced or compulsory labour	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour and measures to contribute to the elimination of all forms of forced or compulsory labour
Supplier, subcontractor and joint venture assessment for labour practices	Percentage of new suppliers, subcontractors, joint venture partners that were screened using labour practices criteria
	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken





Human Capital Management and Mega Sporting Events

To demonstrate that they are honouring the principles found in the OECD Guidelines without being in violation of Qatari law, multinationals operating in Qatar – and their investors to whom the Guidelines also apply – should consider practical approaches such as establishing joint worker-employer health and safety committees.

Financial implications of mega sporting events

Mega events are large-scale but short-term cultural, commercial or sporting events, which have a dramatic character, mass popular appeal and international significance.⁸ Mega sporting events (MSEs) have long-term consequences for host cities or countries along economic, infrastructural, social, political and environmental dimensions. In particular, sporting events such as the Olympics or World Cup are often hailed as a promising opportunity for economic returns and development through the generation of tourism revenue, job creation and the improvement of urban infrastructure. Key industry sectors have much to gain financially from being involved in the delivery of MSEs.

- **Construction:** For construction firms, the impact of the mega events is generally observable in the immediate years leading up to the event.
- **Merchandise licensees:** Corporations involved in the production of event-related merchandise such as memorabilia, key chains, sports balls and garment, enter into a contractual relationship with local organising committees and/or the sporting event governing bodies. Licensees can generally be divided into three categories: global brand licensee, host country licensee and regional licensees. For these firms, the impact of the mega events is mainly observable prior to and during the event.
- **Services:** For services firms, the correlation between profitability and the tenure of mega events is easier to observe because the revenue generated from mega events usually occurs during the event. In the South Africa 2010 World Cup, security contracts did not go to private security firms because the security of the installations was provided by police forces.

The following tables track the financial performance of the corporations that obtained the largest mega event related contract in key economic sectors. Tables 2 and 4 present the corporate structure of key 2012 London Games and 2010 World Cup contractors while tables 3 and 5 present their net income figures before, during and after mega events.



Table 2: Corporate information on selected London 2012 contractors

Sector	Company	HQ	Ownership Structure (Stock Exchange)
Construction	Balfour Beatty	UK	Public (London)
Apparel	Adidas (official sponsor)	Germany	Public (Frankfurt)
Services	Sodexo (catering)	France	Public (Paris)

Table 3: Net income (USD millions) of main London 2012 contract beneficiaries⁹

	2010	2011	2012	2013
Balfour Beatty	232.7	302.7	57.0	-57.0
Adidas	735.0	794.6	681.8	1,020.1
Sodexo	530.2	584.6	680.5	569.0

Table 4: Corporate information on selected 2010 South Africa World Cup contractors

Sector	Company	HQ	Ownership Structure (Stock Exchange)
Construction	Group Five	South Africa	Public (Johannesburg)
Apparel	WBHO	South Africa	Public (Johannesburg)
	Adidas (official sponsor)	Germany	Public (Frankfurt)
(Gautrain project linking Johannesburg to Pretoria)	Bombela (Consortium: Bombardier, Bouygues, Murray and Roberts)	Bombardier: Canada Bouygues: France, Murray and Roberts: South Africa	Bombardier: Public, (Toronto) Bouygues: Public (Paris) Murray and Roberts: Public (Johannesburg)



Table 5: Net income (USD millions) of main South Africa 2010 contract beneficiaries¹⁰

	2008	2009	2010	2011
Group Five	39.4	49.0	28.8	-14.6
WBHO	70.0	88.3	94.3	72.4
Adidas	269.5	186.5	735.0	794.6

Despite promises of net benefits, MSEs are also often criticized due to weak empirical evidence to substantiate the grandiose event “legacy” claims in the wake of cost overruns, public debt, tax increases and problems of unemployment and social exclusion that persist ex-ante.^{11, 12, 13} Economic impact studies have drawn a bleak picture regarding the net benefits and the distribution of these benefits among different stakeholders.^{114, 15, 16}

Academic studies demonstrate that governments, and by extension, taxpayers, usually bear the brunt of the overall costs of the event through infrastructure financing. Moreover, a small number of private corporations benefit financially from securing lucrative MSE contracts. Finally, the benefits for host communities are mixed. Overall, the governing bodies of MSEs such as The International Federation of Association Football (FIFA) and the International Olympic Committee (IOC) are generally seen as net beneficiaries of mega events. In light of these perils, some argue that the positive social outcomes of MSEs are largely restricted to the celebratory nature of the event and a surge in national pride.

Table 6: Typology of social impacts for mega sporting events

MSE Impacts		
Pre-Event	Event	Post-Event
Facility construction <ul style="list-style-type: none"> • Limits to freedom of association • Use of forced labour • Influx of migrant workers with related socio-economic impacts • Inadequate health and safety standards • Late and non-payment of wages • Excessive overtime 		
Supply chain issues (Official merchandise and construction materials) <ul style="list-style-type: none"> • Use of child labour • Use of forced labour • Limits to freedom of association • Unfair wages • Excessive overtime • Inadequate health and safety standards 		
Service worker-related issues <ul style="list-style-type: none"> • Human Trafficking • Unjustified use of unpaid labour • Marginalisation of local business with related socio-economic impacts • Labour rights violations • Temporary and precarious employment 		
Fiscal impacts of event financing <ul style="list-style-type: none"> • Tax-burdens for citizens • Re-ordering of local development priorities and needs 		
Impact on local populations <ul style="list-style-type: none"> • Displacement of households and economic livelihoods • Magnified socio-economic impact on socially excluded groups 		

Poor human capital management related to mega sporting events

The global trade union movement has had long-standing concerns about labour rights violations in connection with mega sporting events. Expressing concerns ranging from the poor treatment of migrant workers that inevitably flood host cities to unsafe, unstable and precarious work conditions in the value chains of companies supplying MSEs, labour organizers have consistently advocated for a long-term and sustainable approach to evaluating the social impacts and benefits of MSEs within host cities and beyond.

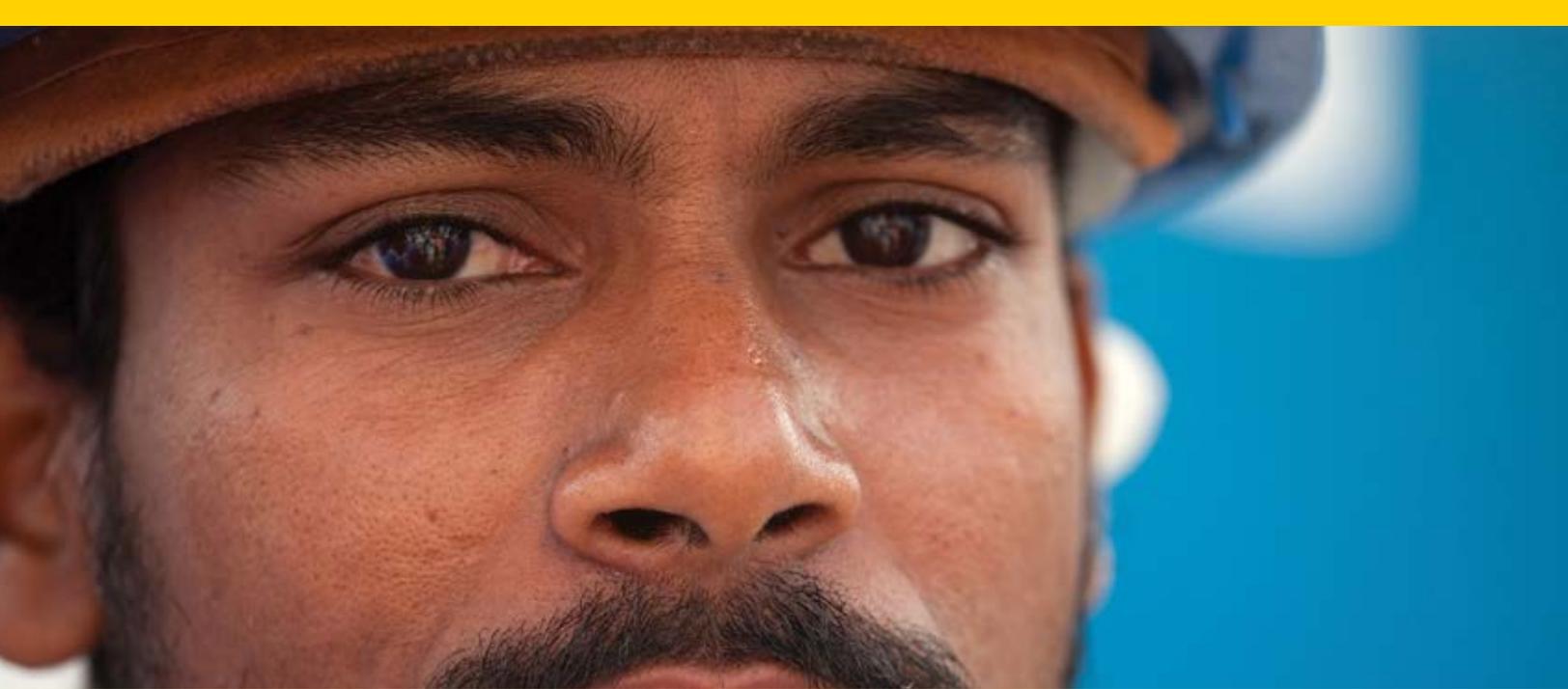
With regard to the legacy impacts of MSEs for workers specifically, trade unions have lent a critical voice at both grassroots and international level. For instance, prior to the 2012 Summer Olympic Games in London, the campaign coalition PlayFair released the report *Toying with Workers' Rights* that documented the exploitation of workers producing goods for London 2012. Abuses included poverty pay, excessive overtime, forced labour and child labour, poor health and safety training, a ban on collective organising and evidence of audit fraud. Similar violations have been raised in the lead-up to the 2014 World Cup in Brazil,¹⁷ 2014 Winter Olympic Games in Russia¹⁸ and the 2016 Rio Summer Olympics.



Overall, trade union campaigns for decent work and better human capital management in relation to MSEs are buoyed by three noteworthy trends:

1. **The use of MSEs as a development strategy:** There has been a surge in the number of countries wishing to host MSEs outside of the traditional host group of economically developed nations. For example, the 2010 FIFA World Cup was hosted for the first time on African soil, China hosted its first Olympics in 2008 and the upcoming World Cup and Summer Olympics mega events will be held in Brazil in 2014 and 2016 respectively. The scale of these events makes public financing a necessity, thereby raising the important question as to whether hosting large-scale events should be a priority for countries with pressing socio-economic needs.
2. **Technology-enabled exposure (and profits):** With the greater diffusion and affordability of information and communications technology, MSEs have increasingly attracted a more international audience. For example, the number of countries broadcasting the Olympic Games increased from 98 in 1972 to 220 for the Beijing 2008 Games. In addition, total viewed hours for such events increased from 10.4 billion for the 1988 Seoul Olympics to 34.4 billion during the 2004 Athens Games.¹⁹ These figures correspond to an increase in TV broadcast revenues going to the IOC and FIFA as large corporations are keen to maximise brand exposure across the world during the tenure of these events. Legitimate questions about who truly benefits from MSEs arise when the scale of profits incurred by the IOC, FIFA and corporations are juxtaposed against costs incurred by the public and ordinary workers.
3. **Increasingly inter-connected civil society pressure:** Better organised and connected civil society organisations contribute to the increasing attention garnered by social and environmental issues linked to the organisation and staging of these events. The treatment of workers involved in delivering MSEs is one of these issues. Indeed, questions regarding health and safety conditions, wages and the duration of employment for game time contracts, along with the efforts to include socially-excluded groups (e.g.: unemployed, low-income, disabled) and the provision of skills training are among the plethora of labour issues that have received increasing attention by trade unions. In particular, nationally-based trade unions are better able to leverage their affiliations to international bodies such that local stories of labour rights abuses in relation to MSEs can also receive international attention.

Campaigners seeking to alleviate poor human capital management practices in relation to mega sporting events have had some notable successes, such as the ground-breaking agreement to protect the rights of workers in its supply chains, signed by the organisers of the London Games with the Playfair 2012 campaign. Nonetheless, at a systemic level, strong labour rights performance continues to elude multi-national companies that are involved with delivering mega sporting events. Construction companies that are actively involved in infrastructure projects for MSEs are no exception to this general trend.



Risks to workers in MSE-related construction projects

The time-bound nature of mega sporting events is a factor that has contributed to poor human capital management in infrastructure projects. Construction companies engaging mega sporting event infrastructure development are held to rigid delivery schedules which results in added pressure on the workers that carry out the construction, as well as significant influxes of migrant labour.

In recent years, the awarding of MSE bids to countries that have poorer working conditions (e.g.: health and safety in the workplace, working hours, freedom of association) has been on the rise. Indeed, Brazil, Russia, China and Qatar all rank in the extreme risk category in the Working Conditions Index 2014 compiled by consultancy group Maplecroft. This has created ripe conditions for inefficient human capital management by firms that engage in construction projects.

Examples of such cases include:

- **Brazil 2014 World Cup:** nine worksite deaths during the infrastructure development phase²⁰
- **Rio 2016 Olympic Games:** strikes over wages and working conditions²¹
- **Sochi 2014 Olympic Games:** an estimate of more than 60 worker deaths in preparation for the Sochi Games²²
- **Beijing 2008 Olympic Games:** migrant workers faced wage exploitation resulting from unfair or non-existent contracts, dangerous work conditions and lack of safety, failure by employers to pay legally-required medical and accident insurance; this led to high rates of injuries and deaths²³

The Kafala system is a key instrument behind the economic development of the most Middle Eastern economies and governs both labor migration and foreign investment by assigning a native-UAE sponsor to each migrant worker and each foreign investor. The operation of the Kafala system in Qatar creates unique conditions for the violations of human rights and the poor management of human capital to occur, as elaborated in the next chapter.

The operation of the Kafala system in Qatar creates unique conditions for the violations of human rights and the poor management of human capital



Human Capital Risks in the Qatari Construction Sector

Criticisms of Qatar’s poor labour rights record pre-date the country’s assignment as hosts of the World Cup (for soccer) in 2022. The victorious World Cup bid has not only served to sharpen the interest of soccer/football fans in the tiny oil-rich state of Qatar, but also the focus of civil society voices that are calling for systematic improvements to the treatment of workers in response to allegations of widespread human and labour rights abuses in the country.

Qatar is undergoing an unprecedented boom in infrastructure as a result of being awarded the 2022 World Cup and implementing an ambitious infrastructure development plan, the National Vision 2030. The employment boom induced by the prevailing infrastructure development targets in Qatar has drawn global attention to the poor treatment of migrant workers who are being brought in to meet the needs of the burgeoning construction sector. As a global labour rights “hot-spot”, this section of the brief lays out the main human and labour rights issues that have been identified in the Qatari construction sector, followed by the impacts for workers and the ramifications of these allegations for investors.

The scale of infrastructure investment in Qatar

Qatar is expected to spend as much as US\$205 billion on infrastructure projects to prepare for the 2022 World Cup.²⁴ In early 2014, it had US\$37 billion of construction projects out to tender, US\$15.5 billion of schemes in prequalification and a further US\$35 billion projects in design.²⁵

Table 7: Selected iconic infrastructure projects in Qatar²⁶

Project	Estimated value
World Cup Stadiums and related sporting infrastructure	\$4bn
Rail and Doha metro system	\$34bn
Doha New Port	\$7bn
Lusail City	\$45bn
Sharq Crossing	\$5bn



The Gulf Cooperation Council region is undergoing significant infrastructure development fuelled by government investments.²⁷ Indeed, more than 100 projects costing in excess of \$1 trillion are planned for completion by 2030, including the Abu Dhabi Economic Vision 2030, Expo 2020 Dubai, Mini World Park all in the United Arab Emirates and the Makkah Public Transport Program and King Abdullah Economic City in Saudi Arabia.²⁸ However, the focus of investors on Qatar stands out for the following reasons:

- 1) Qatar has started and will continue to generate unprecedented media attention in years to come as a result of being the first country in the Middle East to host a prestigious MSE;
- 2) The scale of investments to prepare for a mega sporting event, both in absolute and per capita terms, are unparalleled: Qatar will spend US\$100,000 per capita compared with US\$350 per capita for the Sochi Games – more than 286 times more money per capita than Russia spent on the most expensive Olympics - US\$73 per capita for Brazil and US\$54 per capita for South Africa;²⁹
- 3) Qatar has the highest percentage of migrant workers relative to overall population in the world and high levels of income inequality between Qatari citizens and migrant workers. 87% of residents are foreign workers (vs. 70% in the United Arab Emirates) and there is a high disparity in the living standards of Qatari citizens, who have the highest GDP/capita in the world (US\$93,825 per capita) compared to that of its labour force of unskilled migrant workers.



Portfolio exposure to infrastructure investment in Qatar

Based on the degree of technical expertise and scale of each project, Qatar's Public Works Authority, Ashgal, may open tenders for 1) Qatari companies only, 2) joint venture companies and 3) non-Qatari companies. Joint ventures are performed either by full joint venture through commercial registration or for specific projects through agreements signed between two companies. In some instances, non-Qatari companies without commercial registration in Qatar may also bid on projects.³⁰

Under Qatari Commercial Companies Law, the following types of establishments are permitted to conduct commercial activities: limited liability company, general partnership, simple limited partnership, limited partnership with shares, unincorporated joint venture, joint stock company and single person company.³¹ For limited liability companies (LLCs), limited partnership with shares and unincorporated joint ventures, the minimum ownership per cent for Qatar nationals is 51 per cent unless given exemption by the Minister of Business and Trade.³² Table 2 provides selected examples of multinational companies that have incorporated in Qatar under different models.

It is estimated that more than 40% of the world's top 250 international contractors are actively participating in projects in Qatar, have an office in the country or are actively pursuing opportunities there.

Table 8: Selected examples of multinational companies in Qatar by Incorporation Type

Type of incorporation	Local company name	Multinational Link	Associated stock exchanges
Limited liability company or with limited liability (WLL)	Leighton Contracting WLL	Leighton Holdings (Australia) holds 45 percent ownership in Al Habtoor Leighton LLC, parent of the Qatari branch. Leighton Holdings is controlled by Hochtief AG with a 70 percent stake – remainder of shares widely held. Hochtief AG is owned by Spain’s Grupo ACS (55.9 percent) ownership stake, Qatar Holdings (11.1 percent) and the remainder of shares are freely floated (33 percent).	<ul style="list-style-type: none"> • Australia Stock Exchange (Leighton Holdings) • Frankfurt Stock Exchange (Hochtief AG) • Madrid Stock Exchange (Grupo ACS)
Joint stock company (Qatari Shareholding Company)	Qatari Diar Vinci Construction (QDVC): <ul style="list-style-type: none"> • Qatari partner: 51 percent of shares are held by Qatari Diar Real Estate Investment Company • Non-Qatari partner: 49 percent by Vinci Construction (France) 	Vinci Construction: subsidiary of Vinci (France) widely held by institutional investors (78.7 percent)	<ul style="list-style-type: none"> • Paris Stock Exchange
Unincorporated joint venture	Carillion (Qatar) LLC – Qatar building Company in 80:20 joint venture	Carillion UK	<ul style="list-style-type: none"> • London Stock Exchange

The construction boom in Qatar has been fertile ground for the world’s largest construction multinationals. It is estimated that more than 40% of the world’s top 250 international contractors are actively participating in projects in Qatar, have an office in the country or are actively pursuing opportunities there.³¹ Out of these companies, a significant number are headquartered in OECD countries and are publically-listed companies with widely held ownership.

Given the concentration of institutional investors in OECD countries, there is a high likelihood that their portfolios will have direct exposure to Qatari construction projects. Direct exposure would mainly take the form of equity holdings in multinational companies but it may also include private equity and corporate debt holdings.

As outlined in table 8, multinational construction firms operating under different types of incorporation model in Qatar are listed in large financial markets. Thus, pension funds and other worker retirement savings vehicles are likely to have ownership stakes in companies that are actively involved in Qatar.

The Kafala system as a barrier to optimum human capital management

Given the small size of the Qatari population relative to the size of the infrastructure investments and the labour that is required to carry out the work, there has been an influx of migrant workers into Qatar such that the country has the highest migrant to citizen ratio of any country: more than 85% of the country’s population of 2.1 million are non-Qataris.³⁴ It is expected that 500,000 extra workers will be needed in the run up to the World Cup.³¹⁵

The profile of migrant workers in Qatar is diverse. The major states of origin of the 1.39 million foreign nationals working in Qatar are India, Nepal, Philippines, Bangladesh and Sri Lanka (see table 9). Qatar is however actively expanding its sources of manpower through the signature of migration-facilitating memoranda of understanding with additional Asian (e.g.: Thailand, Vietnam, China) but also African (e.g.: Ethiopia, Kenya, Mauritius, Sudan) and European (e.g.: Macedonia, Bosnia Herzegovina) countries. There are mainly two migrant worker classes: low-skilled migrant workers and white-collar professionals.

Table 9: Migrant workers from main states of origin³⁶

Country	Number of migrant workers in Qatar as of September 2013	Proportion of migrant workers in the construction sector
India	500,000	60%
Nepal	400,000	-
Philippines	200,000	-
Bangladesh	130,000	70%



All foreign workers – regardless of economic status or skill³⁷ – are subject to the Kafala system which has been summarised as follows by the UN Special Rapporteur on the Human Rights of Migrants:

“Kafala (sponsorship) system is used to regulate the relationship between employers and migrants, with a work permit linked to a single person, the sponsor, who is often the employer, although this is not always the case. Sponsors are empowered by the Sponsorship Law to prevent migrants from changing employers and from leaving Qatar. The Kafala system enables unscrupulous employers to exploit employees. Frequent cases of abuse against migrants include the confiscation of passports, refusal to give “no objection” certificates (allowing migrants to change employer) or exit permits and refusal to pay migrants’ plane tickets to return home.”³⁸

In addition to the Kafala system, Qatar does not authorise freedom of association for foreign workers – a measure that has been criticised by civil society organisations such as ITUC, BWI and Amnesty International and multilateral organisations such as the ILO.³⁹

The Kafala system coupled with the lack of fundamental rights at work have created ripe conditions for systemic violations and abuses of workers that can amount to forced labour, including: high level of accidents leading to injury and death, fraudulent contracts, late payment of wages and failure to pay wage and inadequate living conditions in labour camps. The ITUC has estimated that at least 4,000 workers will die between 2014 and the 2022 World Cup if work conditions do not change significantly.^{41, 42} For example, in 2013, 241 Indian workers died in Qatar.⁴¹ Between June and August 2013, at least 44 Nepalese workers died, more than half dying of heart attacks, heart failure or workplace incidents.⁴³ Qatar has been criticised in a government-commissioned report for its lack of statistics regarding death causes and the limited circumstances in which it conducts autopsies.⁴⁴

*“Poor migrant workers living in squalor, are forced to work long hours in unbelievable heat six days a week. Kept in an apartheid situation they are dying in unprecedented numbers.”**

*Sharan Burrow, General Secretary of the ITUC



Aside from worker deaths, widespread cases of human and labour rights violations have been documented through field visits and research by multiple organisations and representatives including the International Trade Union Confederation (ITUC), Amnesty International, Human Rights Watch (HRW), Building Workers International (BWI) and the UN Special Rapporteur on the Human Rights of Migrants. Selected examples of abuses that are relevant for investors in the construction sector include the following:

- **Late payment and non-payment of wages:** delayed payment was the second main cause of labour complaints filed by migrant workers with the Ministry of Labour and Social Affairs in 2013 (8,906).⁴⁵ In a study that surveyed low-income migrants between February and March 2012, 21 percent of workers reported that they received their salary on time “sometimes, rarely or never”.⁴⁶
- **Inadequate health and safety standards:** The UN Special Rapporteur of the human rights of migrants expressed concerns about the level of accidents in construction sites and hazardous working conditions that workers face during a November 2013 field visit.⁴⁷ Workers have reported being required to work 12-hour shifts through summer months, when temperatures can reach 45 degrees Celsius, even though Qatari regulation bans working in areas exposed to the sun between 11:30 and 15:00.⁴⁸ Furthermore, employer-provided worker accommodation – known as ‘labour camps’ – have highly uneven sanitary standards including overcrowded rooms (sleeping 10 or 15 to a small room), missing or non-functioning air conditioning, overflowing sewage, dirty and unhygienic bathrooms and kitchens – despite the requirement for companies to appoint a member of staff to clean workers accommodation – lack of power and running water.⁴⁹ Finally, the association between the high rate of cardiac deaths and worksite conditions cannot be ruled out.
- **Excessive working hours:** At least 52 workers interviewed by Amnesty International reported working in excess of the maximum allowed under the Labour Law, which sets the maximum working week at 60 hours over a six day week. A group of Nepalese workers reported working 12-14 hour workdays during the construction of a major infrastructure project in order to meet delivery schedules.⁵⁰
- **Grievances related to end of employment-related benefits:** The first and third most important causes for worker grievances in 2013 related to repatriation costs (9,959 complaints) and end of service benefits (8,203 complaints). Employers are required by law to issue travel tickets to workers at the end of work contracts but Amnesty International and the ITUC reported cases where companies failed to provide tickets, and even delay the issuance of exit permits after the workers bought their tickets home.^{51 52} This is facilitated by the widely diffused practice of passport confiscation.^{53, 54}

The ITUC and Amnesty International argue that some of the cases described above fit the ILO description of forced labour. ILO Convention 29 defines forced labour as “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.”⁵⁵

According to Amnesty International, the scale of the exploitation of migrant workers is deemed to be “routine and widespread”,⁵⁶ a concerning statement considering the scale of the migrant worker population in Qatar which tallies



1.39 million. Indeed, the Head of the Qatari Labour Relations Department announced that the department had received “some 6000 workers complaints in 2012”.⁵⁷

The Kafala system contravenes high standards of human capital management and ultimately impacts the technical efficiency of firms. Using a representative sample of 600 firms from the neighbouring Emirate of Dubai, one study sought to identify and compare the degree of technical inefficiency between firms operating under the Kafala system and those companies that operate in free trade zones (as the latter are exempt from the Kafala system). The results suggest that on average technical inefficiency resulting from the Kafala amounts to 6.6% of total costs (or 11% of profits).⁵⁸ By tying workers to a single employer, the Kafala system stifles the incentives that workers may have to improve their skills and look for better employment opportunities (such as higher wages and improved health and safety conditions) even if other firms would be willing to hire them.

The Kafala system contravenes

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How are investors linked to the Kafala system?

Investors holding equity stakes in construction companies that are active in Qatar are vulnerable to a variety of risks related to the allegations of labour and human rights abuses. Construction contractors generally employ foreign migrant workers for their manpower needs. Multinational construction firms risk being involved in human and labour rights violations arising from the poor treatment of migrant workers recruited either directly or by a subcontractor or joint venture partner.

Companies may recruit foreign workers by going through the following process:⁵⁹

- 1) An employer based in Qatar requires manpower and seeks authorisation from the Ministry of Labour and Social Affairs
- 2) A recruitment company based in Qatar liaises with the State of Origin to source migrant workers and then processes the paperwork

- 3) The employer based in Qatar pays a service fee to the recruitment company, travel expenses and other costs
- 4) Local agents in the states of origin source migrant workers and seek authorisations for worker departure
- 5) The Qatari recruitment firm seeks the necessary visas for entry into Qatar from the Ministry of Interior
- 6) The Ministry of Foreign Affairs in the state of or if in authorises departure

The ability to match migrant worker flow to specific companies at specific dates is a useful resource when it comes to holding main contractors accountable for the labour and human rights of workers. However, in Qatar, the disclosure of information regarding worker recruitment patterns suffers from inconsistencies based on company and country of origin. Nepal is an example of a country that has set up an efficient and used-friendly labour supply chain traceability system: the Embassy of Nepal in Qatar discloses every Demand Letter that is submitted by a company for the recruitment of workers in Qatar (see table 10 for example).

Table 10: Selected Example of Labour Supply Chain Traceability⁶⁰

Multinational company	Request date	Associated Nepali recruitment agency	Manpower required	
Porr (Austria) ⁶¹	2014-7	New PATHIBHARA PLACEMENT SERVICES P.LTD.	<ul style="list-style-type: none"> • Labourer: 200 • Steel fixer: 79 • Carpenter: 71 • Mason: 100 	<ul style="list-style-type: none"> • Carpenter foreman: 30 • Foreman: 20

Investment risks stemming from the Kafala system

Pension portfolios that are exposed to companies involved in Qatari construction projects face a number of risks that flow from the operational, reputational and legal risks faced by the company that may have a material impact on a company's operations. These include:

Operational risks

Operational project performance and efficiency is affected by the well-being of workers. Given that workers employed by subcontractors are indirectly employed by the main contractor – who has an incentive to deliver projects on time – should be concerned about the impact of irregular worker payments, substandard worker accommodations and excessive working hours on the ultimate ability of workers to perform to the best of their ability. This can have an impact on the operational performance of companies. Furthermore, there is significant risk to clients of disruption to the progress of work from strikes and slow downs.⁶¹ For example, in 2006, 8,500 workers went on strike at the UAE sites of the Besix (Belgium) construction company. The strike, which was the largest in UAE history, lasted five days and cost the company \$4 million⁶² – the equivalent of 118 days of work from the 8,500 workers who earned an average of \$4 per day.

Reputational risks

Construction companies operating in Qatar face various tiers of reputational risks

In light of media attention from well-reputed newspapers such as the Guardian and sustained pressure from civil society organisations like Amnesty International, ITUC and Human Rights Watch, the death or serious injury of workers at 2022 World Cup construction sites will likely inflict significant reputational damage on multinationals whether they are directly or indirectly responsible for the fatalities or injuries.

Continued documentation of the association between companies and forced labour also represent a significant risk for companies. This reputational damage could result in complaints being filed with relevant National Contact Points that are



tasked with handling alleged breaches of the OECD Guidelines for Multinational Enterprises. Companies that put in tenders for development projects that are implemented with the support of credit facilities linked to International Financial Institutions (e.g the International Finance Corporation) may be at a serious disadvantage if they have a reputation for treating workers poorly.

A consequence of being shamed is that companies have to divert resources to restore their reputation, whether it be in the media, engagement with stakeholders or facing more serious charges with relevant regulatory bodies and international institutions.

Legal and regulatory risks

Legal and regulatory risks can arise if a company is viewed as contravening Qatari or home-country stipulations (elaborated also in Chapter 4).

The Qatari legal context:

- **Labour laws:** Qatar is being pressured by civil society organisations, multilateral bodies and by the government-commissioned DLA Piper Report to bolster its ability to conduct worksite H&S and worker welfare inspections⁶³, and to strengthen its regulation to punish violators and adequately protect and uphold worker rights. Indeed, the DLA Piper recommends a “general development of the inspectorate system”. In terms of enforcement, the Ministry of Labour and Social Affairs, in consultation with the Supreme Judiciary Council, can impose financial penalties, closure or suspension of businesses and revocation of licenses. Sustained international pressure on Qatar is likely to increase the likelihood by Qatari authorities to resort to such mechanisms.
- **Criminal laws:** Legal experts warn that in light of the international publicity around the issue of worker treatment Qatari authorities may resort to criminal law and file accusations against senior managers over worker deaths.⁶⁴ This could directly affect MNCs operating in Qatar.

The legal context in MNC home countries:

- **Civil cases:** according to legal experts, cases could be filed against firms in the courts of a company’s home country based on Qatari labour law, breach of contract or English common law.⁶⁵
- **Criminal law:** according to legal experts, for example, a UK manager who is seconded in Qatar could be sued under UK criminal law concerning safety at work – including corporate manslaughter – for the death of workers that work for the firm in Qatar or its Qatari subsidiary.⁶⁶



Towards Better Human Capital Management in the Qatari Construction Sector

Investor responsibilities

The allegations of human and labour rights violations and forced labour exposed by civil society organisations demonstrate that multinational companies likely to be found in pension portfolios are at serious risk of causing or contributing to adverse human rights impacts.

This section highlights the existing set of national and international standards that affect companies operating in the Qatari construction sector, as well as institutional investors with links to these companies through share ownership.

Host country standards

The Qatari Labour Law of 2004 regulates the relationship between employers and workers. However, the UN Special Rapporteur on the human rights of migrants notes that it has “important limitations” because no minimum wage is specified and migrants are excluded from provisions concerning the right to freedom of association, to organise and to collectively bargaining, and indeed provides only limited rights in this regard to citizens.⁶⁷ The law also suffers from inadequate implementation due insufficient capacity and procedural flaws in the labour inspection system and the courts.⁶⁸

In response to these criticisms, two sets of worker welfare standards have been developed by the Qatari authorities and are applicable to contractors working on associated projects. One limitation with respect to the Qatar Foundation and Qatar 2022 Supreme Committee Standards is that they only apply to projects that fall under the direct control of these organisations.^{69,70} A second limitation is that there is no independent enforcement of either standard. These standards are summarised in the following table:

Table11: Summary of Qatari Worker Welfare Standards

Standard	Purpose	Scope	Enforcement	Limits
Supreme Committee Workers' Welfare Standards (SCWWS)	Set minimum mandatory requirements to ensure workers' welfare is maintained at all times	Applicable to all construction of facilities by the Supreme Committee and all other activities directly under the control of the Supreme Committee associated with hosting the 2022 FIFA World Cup (e.g: World Cup stadiums). The principles will be enshrined in contractor contracts and require contractors to ensure compliance by subcontractors.	Contractual measures will be implemented against that contractor for failure to achieve the relevant Key Performance Indicators. ⁷¹	Only applies to projects under the direct control of the Supreme Committee; will not apply to workers who will build the wider infrastructure to support the hosting of the World Cup including roads, hotels and railways. Migrant workers will still be subject to the Kafala sponsorship system Lack of independent oversight
Qatar Foundation Mandatory standards of migrant workers' welfare	Set minimum mandatory requirements with respect to recruitment, living and working conditions	Contractors are required to comply and incorporate the Standards into Sub-Contract agreements for all Qatar Foundation projects (e.g.: Education City, People Mover, Msheireb Properties)	Information not accessible	Only apply to projects financed by the Qatar Foundation. Migrant workers will still be subject to the Kafala sponsorship system Lack of independent oversight

International guidelines

In addition to these standards that relate specifically to worker welfare in Qatari construction projects, two international 'soft law' instruments – the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD Guidelines) – provide that enterprises should respect human rights wherever they may be operating. The corporate responsibility to respect human rights is the global standard of expected conduct for enterprises. It exists independently of whether states are able or willing to implement their laws/state duty to protect human rights.⁷² This means that enterprises operating in Qatar should avoid infringing on the human rights of migrant workers and address any adverse human rights impacts with which they are involved.



Table12: Summary of Relevant International Principles and Guidelines

Guidelines/ Principles	Purpose	Scope	Enforcement	Limits
UN Guiding Principles on Business and Human Rights	Establish that the responsibility of an enterprise is determined by its adverse human rights impacts and that enterprises should undertake human rights due diligence to avoid and address human rights violations.	Applies to all business enterprises, including investors, regardless of size, sector, location, ownership and structure. Enterprises are expected to address adverse human rights impacts they cause, but also those they contribute to, or are even linked to through a business relationship. In such cases, MNEs – and investors – are expected to use their leverage to prevent or mitigate the adverse human rights impact	None	Lack of effective enforcement mechanism
OECD Guidelines for Multinational Enterprises	Establish that multinational enterprises have a responsibility to avoid and address adverse impacts on matters covered by the Guidelines, including workers’ rights. Seek to enhance the positive contributions that multinational enterprises can make to economic, environmental and social progress.	Applies to any MNE – including investors – head-quartered in a country that has adhered to the Guidelines (currently 46), wherever they operate in the world and regardless of sector or ownership. Companies are not only expected to address adverse impacts on matters covered by the Guidelines that they cause, but also those they contribute to, or are even linked to through a business relationship. In such cases, MNEs – and investors – are expected to use their leverage to prevent or mitigate the impact caused.	Any organisation may submit a complaint to a National Contact Point (NCP), which will assess the complaint and offer mediation to the parties. Where mediation fails, most NCPs will examine the complaint and issue findings on whether there has been a breach of the Guidelines.	‘Soft law’ mechanism that cannot be enforced through the courts. NCPs can only offer their good offices – they can’t force parties to participate in their processes.

The UN Guiding Principles on Business and Human Rights apply to all companies, whether multinational or local businesses, for all projects in Qatar, regardless of the client’s policies; the OECD Guidelines apply to multinationals headquartered in countries that have adhered to the Guidelines. Under both instruments, the main contractors – often multinationals that are likely to be found in pension fund portfolios – have a responsibility to respect migrant workers’ human rights not only within their own operations but also in those of their joint venture partners and their subcontractors. Unlike the OECD Guidelines, the UN Guiding Principles do not have an enforcement mechanism.

Although construction firms are not consumer-facing, they face reputational risks. Those having violated national law or the SCWWS or QFMS face fines, penalties or potentially blacklisting by Qatari authorities. Companies also face risks of complaints being filed with National Contact Points for the OECD Guidelines for Multinational Enterprises. Guideline I.2 stipulates that companies have an obligation to follow domestic law; in cases where domestic law and the Guidelines conflict, “enterprises should seek ways to honour such principles and standards to the fullest extent which does not place them in violation of domestic law.”

Given that Qatari law restricts migrant workers from forming or joining a trade union, Qatari law conflicts with Guidelines V.1 which stipulates that enterprises should “respect the right of workers employed by the multinational enterprise to establish or join trade unions and representative organisations of their own choosing.” On the matter of health and safety, Guidelines V.5 states that enterprises should “Take adequate steps to ensure occupational health and safety in their operations.”

On the other hand, there is no conflict between Qatari law and the Guidelines over the use of forced labour. Qatari law formally bans forced labour. It is likely that construction enterprises, who operate in a legal context that facilitates trafficking, will have employed migrant workers in conditions of forced labour, thereby breaching Qatari law and violating Guideline V.1.d.

The application of the UN Guiding Principles – see Guiding Principles 13 and 19 – to investors has been confirmed through interpretative guidance documents provided by the Office of the UN High Commission for Human Rights. In a response to the Centre for Research on Multinational Corporations and OECD Watch, the OHCHR states that: “institutional investors would be expected to seek to prevent or mitigate human rights risks identified in relation to shareholdings – including minority shareholdings.”⁷³ The OHCHR maintained that where portfolio companies are involved in human rights violations, investors should use their leverage to change the harmful practices of the portfolio company so as to mitigate or prevent the adverse human rights impacts. In cases where such efforts are not successful, the OHCHR states that “The Guiding Principles stipulate that the institutional investor should consider ending the relationship”.⁷⁴ The responsibility of investors to “know and show” that they are meeting their responsibility to avoid adverse impacts, is also recognized under the OECD Guidelines for MNEs which were updated in 2011 to incorporate the Guiding Principles on Business and Human Rights. Box 1 below summarises the POSCO case which set a precedent for the recognition of investor responsibility under the OECD Guidelines for MNEs.

These observations have an impact on both companies and investors. To demonstrate that they are honouring the principles of the OECD Guidelines – while respecting Qatari law – and mitigating reputational risks, companies and their investors should consider practical approaches such as establishing joint worker-employer health and safety committees.

Responsibilities of investors under the OECD Guidelines: the precedent set by the POSCO case

On 9 October 2012, the NGOs Lok Shakti Abhiyan, KTNC Watch, Fair Green and Global Alliance and ForUM filed a complaint under the OECD Guidelines with the Norwegian, Dutch and South Korean NCPs concerning the involvement of POSCO, a South Korean company, in human rights and environmental impacts in India. The complainants argued that POSCO had not engaged in meaningful dialogue with all communities affected by a steel plant project to identify the scope and severity of human rights, social and environmental impacts. In a precedent setting move, the complaint filed with the Dutch and Norwegian NCPs communities called on Dutch pension fund ABP and the Norwegian Government Pension Fund Global (along with their respective asset managers: APG and NBIM) to seek to prevent or mitigate adverse impacts directly linked to their operations through their financial relationships with POSCO.⁷⁵

The conclusions issued by the Dutch and Norwegian NCPs set a precedent by recognising that the OECD Guidelines apply to minority shareholders. On 13 March 2013, the Dutch NCP issued a preliminary statement that stated that: “the Guidelines are applicable to financial institutions and to investors, including minority shareholders”.⁷⁶ ABP and APG committed to exercise their leverage to bring POSCO’s practices in line with international standards. In May 2013, the Norwegian NCP also recognised that the Guidelines apply to minority shareholders and concluded that NBIM was in violation of the OECD Guidelines for refusing to cooperate with the NCP.⁷⁷



Home country laws

Investors may also face liability in their home jurisdiction. For example liabilities may arise under English common law of torts.⁷⁸ For forced labour violations, it may also be possible that the US Alien Tort Statute could be successfully applied. Legal experts also suggest that, for example, a UK manager who is seconded in Qatar could be sued under UK criminal law concerning safety at work – including corporate manslaughter – for the death of workers that work for the firm in Qatar or its Qatari subsidiary.⁷⁹

Supporting investor action

Asset owners and asset managers alike have taken notice of the link between performance on human capital management and the long-term sustainable value creation. As a result, some institutional investors are addressing human capital and labour rights through corporate engagement, proxy voting and peer learning.

Currently, one of the main gaps regarding corporate performance and commitment with respect to human and labour rights in Qatar is the relative inability for investment analysts and investment decision-makers to compare corporate performance based on the information disclosed in existing corporate annual reports and sustainability reports. These reports usually present data and information from a company's global or regional operations but rarely provide country-specific policies.

Given the specificities of the Qatari context, investors would benefit from enhanced country-specific reporting. The CWC has developed two tools to support investors in this respect:

- A private database of Qatari construction projects and the multinational companies that are associated to each project. The CWC Secretariat may provide access to the database on request.
- An issues matrix related to corporate performance and policies regarding the main human and labour rights issues in Qatari Construction Projects (see table 13).

In collaboration with relevant trade union organisations, civil society bodies, international organisations and investor networks, the CWC will continue to support the respect of international labour right standards for migrant workers in Qatar.

Table 13: Issues Matrix for Human and Labour Rights issues in Qatari Construction Projects

Issue	Best practice	Relevance to risk mitigation
Wages		
Late or partial payment of wages	<ul style="list-style-type: none"> • Taking responsibility to pay wages of subcontractor workers if the latter fails to do so • Payment period shortened to 60 days – from current 90 • Setting up a hotline – available in worker’s languages - for workers to raise the alarm if they have not received their wages 	<ul style="list-style-type: none"> • Being complicit in the use of forced labour • Risk of sanctions (i.e. suspension of contracts and financial penalties) for late payment of wages • Obligation for contractors to pay their sub-contractors promptly⁸⁰
Health and safety		
Worksite	<ul style="list-style-type: none"> • Establishing a H&S team responsible for the lead contractor and all sub-contractors on-site • Establishing monthly Workers’ Welfare Forum meetings with worker representatives, senior management (of the contractor) and H&S representatives to resolve unresolved matters • Taking responsibility for overall site safety – including subcontractor’s 	<ul style="list-style-type: none"> • Criminal, civil liability risk related to H&S breaches⁸¹
Accommodation	<ul style="list-style-type: none"> • Companies should ensure that decent accommodation will be available for the workforce prior to workers arriving in Qatar • Having a complaints resolution mechanism relating to accommodation standards which allows workers to direct complaints to a designed worker welfare officer (WWO) who would be a representative of the employer • Guarantee a safe and lockable storage facility for personal items (including passports) for each migrant worker that you employ or that your subcontractors employ (in line with UNGC guidance on retention of identity documents⁷⁹) 	<ul style="list-style-type: none"> • UN Guiding Principles/OECD Guidelines for Multinational Enterprises breaches
Freedom of association		
	<ul style="list-style-type: none"> • Ensuring that within their operations, and in the absence of legal rights, workers can elect representatives to bargain with employers and handle grievances • Being in favour of modifying the Qatari Labour Law to repeal Article 116.4 which restricts migrant workers from forming or joining trade unions • Being in favour of amending Article 120 of the Qatari Labour Law to ensure that workers are able to exercise the right to strike in a manner and practice consistent with the observations of the ILO supervisory mechanisms⁸² 	<ul style="list-style-type: none"> • Reputational risk as a result of the regulatory recommendation of DLA Piper report, and pressure from multilateral organisation expectations (e.g.: ILO) and civil society organisations

Further resources

Pension trustees interested in advancing labour rights as part of a responsible approach to investing can also work with like-minded investor networks, trade unions and inter-governmental organizations.

The International Labour Organisation (ILO): The ILO is a UN agency dealing with labour issues. Unlike other international organisations, the ILO has a tripartite governing structure – representing governments, employers and workers. In 2014, the ILO's International Labour Conference revolved around the issue of decent work for migrant workers. For more information on International Labour Standards relevant to migrant workers, see:

<http://ilo.org/global/standards/subjects-covered-by-international-labour-standards/migrant-workers/lang--en/index.htm>

The International Trade Union Confederation (ITUC): The ITUC advocates for the interests of working people worldwide. The ITUC represents 175 million workers in 153 countries and territories, and has 308 national affiliates. 28 April - the International Commemoration Day to remember workers who died, were injured or fell ill due to unsafe, unhealthy or unsustainable work and workplaces around the world, marks a key date in the ITUC's calendar.

For more information on the ITUC's work on Qatar, see: www.ituc-csi.org/rerunthevote?lang=en

Global Union Federations: The GUFs are a confederation of sector-based international trade union organizations. The confederation has a shared commitment to the ideals and principles of the trade union movement. Negative impacts associated with migration and precarious work are of particular concern for Global Unions; the issues in the Qatari construction sector have been followed closely and documented by the Building and Wood Workers' International (BWI). For more information on the GUFs, see: www.global-unions.org

For more information on the BWI, see: www.bwint.org

The Trade Union Advisory Committee to the OECD (TUAC): The Trade Union Advisory Committee to the OECD (TUAC) is an interface for trade unions with the OECD. It is an international trade union organisation which has consultative status with the OECD and its various committees and leads the trade union movement's work on the OECD Guidelines for Multinational Enterprises.

For more information on TUAC's work on the OECD Guidelines, see: www.tuacoecdmneguidelines.org/Home.asp

For more on TUAC's work on Qatar, see: www.tuac.org/en/public/e-docs/00/00/0E/D6/document_doc.phtml

The United Nations Principles for Responsible Investment (UNPRI): The UNPRI provides a voluntary framework for investment professionals who seek to include environmental, social and corporate governance factors in their investment decision-making. The initiative was launched in 2006 and is supported by the UN Global Compact and the UN Environment Programme, and is endorsed by the UN Secretary-General.

For more information on the PRI, see: www.unpri.org

The OECD Guidelines for Multinational Enterprises: The Guidelines are recommendations on responsible business conduct addressed by governments to multinational enterprises operating in or from adhering countries.

For the text of the Guidelines, see: <http://mneguidelines.oecd.org/text>.

The UN Guiding Principles on Business and Human Rights: The Guiding Principles provide an authoritative global standard for addressing adverse impacts on human rights to business activity, wherever such impacts occur. They set out, in three pillars, principles concerning the State duty to protect human rights, the corporate responsibility to respect human rights, and access to remedy for victims of human rights abuse. For the text of the Guiding Principles, see: www.ohchr.org/documents/publications/GuidingprinciplesBusinesshr_en.pdf

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