



# Qatar's Labor Reforms in Response to World Cup Criticism: 4 Lessons for Employers with Gulf Workforces

Insights

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The Qatar 2022 World Cup holds a special place in history as arguably one of the best tournaments of all time – but also one of its most controversial. Although the final game was a masterclass of what the “beautiful game” has to offer, culminating in a penalty shootout victory for Argentina, the spectacle was often overshadowed by debate about the host country. After all, Qatar – a small petrostate home to 2.6 million people and only 300,000 citizens – swooped up seemingly out of nowhere to outbid the U.S. for the right to host, despite the U.S. being far more readymade given its existing infrastructure. This placed a large spotlight on the plight of migrant workers in Qatar, many of whom were required to labor long hours in extreme heat to build the necessary infrastructure from scratch. In response to the criticism, Qatar – in collaboration with the International Labor Organization (ILO) – implemented groundbreaking labor reforms at home and across the Gulf Region. **This article looks at the key reforms and highlights four takeaways for employers with workforces in Gulf Countries.**

## Backlash Leads to Reforms

The impetus for the labor reforms began in 2014 when International Trade Unions filed a complaint to the ILO against the State of Qatar alleging the country violated the Forced Labor Convention. The ILO subsequently voted to open an investigation into working conditions of migrant workers in Qatar building World Cup stadiums in 2015. According to the ILO, an estimated 1.7 million workers were being forced to work in appalling and exploitative labor conditions.

After two years of intense negotiations, the ILO closed its investigation and entered into a three-year cooperation agreement with Qatar to implement and adopt labor reforms. Below are some of the key reforms.

### *Freedom To Change Jobs*

One of the main aims of the labor reforms was to dismantle the Kafala system, a legal system of migrant workers sponsorship that exist throughout the Gulf. Under the Kafala system, workers require permission from their sponsor or Kafael to change jobs and to leave the country. Critics suggest that tying a worker’s mobility to a sponsor (an employer or citizen) can create an environment for exploitative conditions and retaliation.

In 2020, Qatar passed legislation allowing workers to change jobs at any time after a two-month notice period. Additionally, migrant workers also no longer required sponsor approval to leave the country.

These reforms facilitated huge increases in worker mobility as evidenced by the ILO's report detailing the impact of the labor reforms. From November 1, 2020 through August 31, 2022, almost 350,000 workers changed jobs, a significant jump from the 2019 (18,000) and 2018 (9,000) numbers.

In light of the reforms, a secondary concern was sponsor retaliation in the form of threats of deportation and cancelling work permits. Qatar has set up a complaint forum to protect workers from retaliation, and imposes penalties for sponsors who violate the law.

### ***Minimum Wage***

Qatar's minimum wage law went into effect in March 2021. It established a minimum monthly wage of QAR 1,000 and requires employers to provide decent accommodation and food, or monthly allowances of at least QAR 500.

To ensure compliance, Qatari employers must pay employee wages through Qatari banks, so the Ministry of Labour can monitor payments. Violations are referred to the police, and penalties for non-payment of wages include up to one year in prison and a maximum fine of QAR 10,000.

According to the ILO, Qatar became the first country in the Gulf region to adopt such a non-discriminatory minimum wage that applies to all workers, of all nationalities, in all sectors, including domestic work. The ILO reports that this has resulted in 13% of the workforce obtaining raises to the new minimum wage standard.

### ***Occupational Safety and Health***

Since winning the bid to host the World Cup, Qatar has come under international scrutiny stemming from work-related deaths at stadium construction sites. In 2020, it adopted ILO Occupational Safety and Health Inspection (OSH) policies to protect workers' health, prevent accidents and injuries, and minimize work related hazards.

Among the many changes is a law that prohibits outdoor work between 10 a.m. and 3:30 p.m. from June 1 through September 15 – the hottest time of the year. According to the ILO, the total number of prohibited working hours is significantly higher than in any other country in the region.

Additionally, all outdoor work must stop when conditions exceed 32.1 degrees Celsius (89 degrees Fahrenheit) on the Wet Bulb Globe Temperature (WBGT) index, which considers temperature, humidity, wind factor, and solar radiation.

### ***Access to Justice***

An online complaint platform was established in 2021, which included an anonymous whistleblower channel. The ILO reports that the number of complaints more than doubled as a result.

The report also noted that 67% of the complaints received between October 2021 and October 2022 were resolved before or at the conciliation stage, with the remainder referred to Labor Dispute Settlement Committees.

## **Gulf Employers' 4-Step Plan**

What should employers with workforces in Gulf Countries do in light of Qatar's labor reforms? Here are four steps you should consider taking.

1. Develop workplace policies consistent with the ILO standards and local employment law requirements.
2. Respect workers' mobility and freedom to change jobs. Other Gulf countries may follow Qatar's lead in dismantling the Kafala system. Therefore, you should take proactive steps to ensure that your employment contracts and policies do not curtail workers' freedom of mobility, which includes carefully crafting the scope of any restrictive covenants.
3. Update occupational safety and health policies. The OSH reforms, particularly the groundbreaking restrictions on hours of work during extreme heat conditions, is applicable to all employers in the Gulf and more broadly the Middle East. Employers should maintain similar policies to establish safety standards for workers to prevent potential work-related injuries and death.
4. Implement a clear whistleblowing scheme to encourage good faith reporting and clarify internal investigation procedures.

## **Conclusion**

The groundbreaking labor reforms are positive step forward for Qatar, the Gulf and the Middle East more broadly. The reforms show that change is possible and will hopefully be a model for other countries in the region to follow.

If you have workers in Gulf Countries, feel free to contact your Fisher Phillips attorney, the authors of this Insight, or any attorney in our [International Practice Group](#) to learn more about this situation. We will monitor these developments and provide updates as warranted, so make sure that you are subscribed to [Fisher Phillips' Insights](#) to get the most up-to-date information direct to your inbox.

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