

Construction labourers exploitation in the uae



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Executive Summary

The purpose of this report is to outline and analyze the ethical dilemma facing construction companies and labour contractors in the UAE with respect to accusations of blue collar worker exploitation. In order to do this, we first understand what is meant by the term 'exploitation', which is when an individual is treated unfairly and taken advantage of, along with its implications in the field of construction. The need for companies to exploit labourers can be attributed to the rapid pace of growth in the UAE before the global financial crisis, requiring them to keep up in a highly competitive property market.

Arguments for and against the labourers will be outlined with respect to the case of Arabtec, a multinational construction company headquartered in the UAE, who faced a dilemma when 40000 workers, who were part of the team working on the Burj Khalifa, chose to riot and go on strike citing bad working conditions, substandard housing and low wages. The perspective of the workers can be understood through the application of a deontological ethics theory, Kantianism. On the other hand, Utilitarianism, a consequentialist theory, can help us look at it from the company's viewpoint. Finally, after putting both sides of the argument in perspective and understanding the dilemma, we can propose solutions such as unionization, proactive approaches and stricter enforcement of labour legislation.

Introduction

What is Exploitation?

Exploitation, in economics, political economy and sociology describes a relentless social connection where people are not cared for and treated unfairly, to other people's advantage. This is with correspondence to a certain ethical notion on exploitation - treating people as a plain means to an end or as objects. In another expression, it means using people for their resources, without considering their personal well-being. Those countries that are constantly being scrutinized of exploitation are the developing nations - mainly, in perspective of the worldwide economy

Well-known brands such as Coca Cola, Nike plus many more are involved in exploitation. To a certain degree, it is the competitive nature between organisations that drive them to use such procedures to capitalise on profits. For example, Nike employs inexpensive labour in Southeast Asia since this allows them to escape from the strict regulations and enforcement in Europe and USA. Coca-Cola have received blame for frightening workers worldwide and even employing para-militaries to destroy union leader. The clothing industry too, has been harshly condemned for inducting sweat shop like conditions in factories in East Asia. (Shah. A. 2006).

Fuelled by Dubai's rapid past growth:

Dubai seems like the perfect holiday destination for many tourists who enjoy the sun and its beaches. Celebrities are attracted to the wide range of lavish apartments that Dubai hosts. But underneath all the physical attractiveness and glitz of Dubai, there is a struggling immigrant workforce living on the edge and a dark world of exploitation. It consists of most of the ambitious <https://assignbuster.com/construction-labourers-exploitation-in-the-uae/>

building structures in the world and is widely recognized for its remarkable infrastructure and 24/7 construction. However, although these developments seem sensational, the labour that goes into it and the people who do it, is highly unattractive

Dubai's economy, as a result of the credit crunch, has suffered a serious downfall, since it is heavily dependent on its real estate, financial services and tourism. Those who toil in the heat constructing houses for the wealthy, now face more pressure than before. (Goozee R. 2010).

Arabtec Case Study:

Arabtec Construction is a multinational enterprise that deals with construction. Its headquarters are situated in Dubai, UAE. In 2008, Arabtec was thrown into the middle of disgraceful accusations about the cleanliness of its labour camps. A reporter from Panorama followed some workers back to Arabtecs' labour camps and was repulsed by what he witnessed. Sewage had poured out everywhere across the camp and to avoid stepping on it, the labourers created a pathway of stones to walk on to get to and fro their accommodation. One toilet was short of water. Arabtec received a fine of 10,000 AED for the sewage mess. Another report claimed that camps were congested, with about 7500 workers living together, allocated to about 1248 rooms with scarce fresh air. (BBC, 2009).

With their developer Nakheel struggling and not paying them, they had to make certain requirements and faced numerous unpredicted obstacles. A huge amount of Arabtecs' workers earned lower than \$160 on a monthly average and faced what is known as "wage exploitation" and "hazardous

working conditions". Developers and government have been under pressure due to worker protests relating to labour problems. In 2007, about 40000 Arabtec construction labourers remained closeted in their camps without leaving and abstained from working until their claim for a \$55 pay increase per month was met. After a strike that went on for 10 days, the workers agreed upon returning once they settled an agreement with Arabtec on a 20% rise (Bakr. A. 2007).

Arguments for the rights of the Labourers

What or who are labourers? To be put into simple terms, they are the cogs that sustain a booming economy. They may also very well be the hands that have built Dubai. Had it not been for their hard work, the U. A. E.'s economy would not have been where it was today, a thriving one. As mentioned before, exploitation or modern day slavery has become a problem in the U. A. E., especially in Dubai. Very little light has been shed on the situation that labourers have been facing in the U. A. E.'s construction industry. The following will focus on the defense from the labourer's perspective about the problems they face daily.

Migrant workers in the U. A. E. make up more than 80% of the population, of which millions are in the construction industry, comprising of a number of different Asian nationalities. Most of the time their effort and hard work goes unnoticed and in the end they tend to be shunned from society. Just because they are not as adequate as some of the people who have received higher education doesn't mean that they have to be treated differently and a blind eye be turned to the problems that they face. The labourers have a right to

be treated with equity and impartiality, and not just a form of expendable workforce.

Deontological (Kantian) Analysis:

According to the theory of Kantianism, we can judge people ethically by their amount of desire to do the right thing. Categorical imperative 1 states that a person should act from moral rules that can be applied universally.

Construction companies in the U. A. E. generally do not tend to follow this rule, even though the universal standard for humane treatment of labourers has been set down. Categorical imperative 2 states that people must not be treated as a means to an end. It is clearly evident that the companies do make use of the labourers as a means to an end. Labourers are generally worked overtime because the people sitting behind their desks want their projects to complete on time, with no regard to the suffering that the labourers go through by working for 12 hour straight shifts.

Tricked with the promise of a better tomorrow:

Construction companies and recruitment agencies tend to make full use of the labourers inadequacy, by giving them empty promises. It generally starts off with the hefty amounts that the workers have to pay to the recruitment agencies back in their home country. The fees ranging anywhere from \$2000- \$3000, most of which the workers had to borrow from others in order to secure a working visa for U. A. E. The construction companies also follow suit, by holding the passports of the labourers upon their arrival. According to reports, interviews with the labourers have had them say that the companies would tell them that they would receive free housing at the labour camps, only to realise that they were met with shanty town conditions

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hidden from the public view. The living conditions were so bad that the workers were living stuffed many to a room, in such close proximity of each other.

According to the article that was posted by a BBC news reporter Ben Anderson, documentary evidence showed that living quarters of the labourers hired by Arabtec were quite worse off. The stench of raw sewage filled the camp, with the sewage flooding the camps. One of the toilet blocks had no water supply and the latrines were filled with piles of raw faeces. Authorities also released figures that showed that around 7500 of Arabtec's labourer's shared 1248 rooms with poor ventilation, which is roughly 6 workers cramped into each small room. But the buck did not stop there. Arabtec had also promised its workers proper wages, but in fact they were paid wages than what they were originally promised, which was even lower than the international labour wage standard. Workers would be lucky if they even received their wages on time, because almost every time their wage pay was either delayed or not even paid. If we put ourselves in the labourers situation, we would not even be able to survive on the meagerly wages that they receive.

Held like prisoners against their will:

The problem is that some of the labourers don't feel like retaliating over fear of losing the job they have even during the recession, because there are possibilities that they could be sent back any time since the company is holding their passport. Some of the labourers, who could not stand the unjust treatment from the company, have held protests, but results only ended up with many of them being jailed or even deported. This was also because <https://assignbuster.com/construction-labourers-exploitation-in-the-uae/>

there was no possible way for a workers union to be present in time of negotiation.

Construction companies like Arabtec need to understand the importance of giving recognition back to their workers instead of ruling over them with fear like modern day slaves. They must understand the importance of the labourers, because if they were all to leave then the construction industry would collapse in the U. A. E.

Arguments for the defense of the companies

Utilitarian Analysis:

With the application of a consequentialist theory such as Utilitarianism, we can understand why one can argue that the actions of construction companies cannot be judged as unethical. In order to apply Utilitarianism, we must look at the greater good that the actions achieve and the total benefit/happiness generated, weighed against the harms.

By working the labourers to their full potential, in order to pursue the profit and growth objectives of these companies, they were able to construct hundreds of business towers and residential complexes, creating homes and office space, which is beneficial to tens of thousands of residents and entrepreneurs in the UAE. The UAE government also benefited greatly because the reputation of the country as a fast growing, metropolitan city was enhanced, and this helped attract tourists and foreign investment. Arabtec itself was responsible for the construction of the Burj Khalifa, a monumental structure, the tallest in the world. The overworking of a few thousand labourers seems like a small price to pay for the total good that

was achieved as a result of the actions of these construction companies, therefore we cannot simply dub them as unethical.

Perspective of the companies:

It's very easy for us to point our fingers at construction companies and labour contractors in the UAE and accuse them of unfairly exploiting their workers. However, ethics is always two dimensional and it is crucial that we also look at it from the viewpoint of companies such as Arabtec. Corporate Social Responsibility is conceptualized through a pyramid in which ethical responsibilities are prioritized after economic and legal responsibilities.

Companies such as Arabtec, Al Habtoor and Al Futtaim Construction have conducted their operations well within the UAE labour laws, legislation and safety requirements, while they have a right to pursue high profit margins because they have a duty to deliver good returns to their shareholders. It is also crucial to understand that these companies were part of a very competitive property industry until the financial meltdown hit the UAE a few years ago. Therefore it was necessary that they take advantage of the workforce available to them in order to maintain the growth levels they required during the UAEs construction boom. Their only other choice would have been to not take any action and risk losing out market share to other large construction companies.(Abdul, G. 2008)

Perspective of the labourers:

By looking at the issue from the workers point of view, we should realize that almost all these men come to Dubai to escape the poverty that they face in their home countries, where they are left to suffer, unable to find jobs. Bruce

Fenton, a reporter who visited Dubai, was told in an interview with a local taxi driver, that labourers choose to stay in the UAE because even though they are worked hard, it is better than what they would face back home in their own countries. Several of these labourers come from poorer parts of countries such as India, Pakistan, Bangladesh and Afghanistan, where they would be left with no choice but to live on the streets or die, if they chose to go back.

Furthermore, these workers made their own decisions to come to Dubai, because they saw it as a land of opportunity, and they were not forced to do so by the companies that hire them. Although some critics argue that some labourers are greatly in debt when they arrive in the UAE, having borrowed large sums of money in order to make the journey, is it really fair to hold employers accountable for the personal decisions of these individuals? No it is not, because the companies responsibilities only include paying them the wages they were promised in a timely manner and providing them with good working conditions, not compensating them for any debt they may have incurred because of bad personal choices

The Government – Sharing the blame:

The only reason that some companies can still act irresponsibly when dealing with their labour workforce is because of what we believe is weak labour laws in the UAE, which are barely existent and do not give foreign workers the rights they deserve. In most cases, even the laws which do exist are not properly enforced by official institutions and regulatory bodies. Therefore it would be unreasonable to simply accuse construction companies of

exploitation, since the legislation is not enforced strongly enough to prevent workers being taken advantage of.

However, recent findings such as the following, show that the scenario is improving - the Dubai Municipality issued several new compulsory requirements for migrant labourer housing, including the requirement of catered food, a minimum of 40 square feet of space per person, the provision of adequate ventilation, air conditioning and lighting, as well as a minimum number of toilets, proportionate to the number of workers living in each camp.

UAE HEALTH AND SAFETY STATISTICS

Year

2008

2009

Number of projects

388

479

People working on-site

296, 093

276, 323

Man-hours worked

872, 485, 818

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887, 072, 131

Lost-time incidents

690

530

Fatalities

20

10

Lost-time incident rate

0. 0791

0. 0597

Fatality frequency rate

0. 0023

0. 0011

Source: Build Safe UAE

(Redfern, B. 2010)

The above statistics, published by the Build Safe Organization, the only company that conducts research related to on site construction, show that incidents in which time was lost have fallen by over 100 between 2008 and 2009, despite an increase of almost 100 in the number of projects. The key <https://assignbuster.com/construction-labourers-exploitation-in-the-uae/>

statistic is the number of fatalities which was reduced by 50%, from 20 construction related deaths to only 10. This research reflects the trend that construction safety levels are improving as a result of the newly imposed legislation in 2007, and that companies are not treating workers unethically or unfairly.

Putting it in perspective

Government may be partially responsible for their weak labor laws, but still the whole burden cannot be placed on them. If we go through it step by step we can see that first, the burden fall upon the agencies that make false promises to these hopeful workers and deceive them into paying a handsome amount of money as initial fees in order to work abroad. It is the agencies fault for funneling these workers into a system where they don't receive any of what they were promised. Instead, these workers end up in poor living and working conditions with low pay and little scope of repaying their debts which they inherited while trying to achieve their dreams of having a better tomorrow for their families and paying the agencies their fees. The government should definitely look to find and stop these agencies from manipulating these workers. Many companies have claimed that they know nothing about what these agencies are doing and how they bring these migrant workers to the country.

This brings our focus to the companies who should also accept part of the responsibility for the injustice that happens to their workers. The companies should be held accountable for the poor conditions their employees are surrounded by and make an honest effort to improve these conditions. These companies are well within their legal rights in doing the bare minimum and

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providing these laborers just what the law requires them to. Corporate social responsibilities puts economic responsibility as the first priority, so the companies are well within their rights to look for attaining a higher profit margin rather do more than what is required of them.

It can also be argued that these workers are in fact living in better conditions and getting higher pay than they would have if they had stayed in their home countries. They may have been promised more money and more opportunity by these agencies, but they receive 3 meals a day by law and income higher than what they got in their country.

Conclusion:

It is the opinion of our group that there are certain measures that may be taken in order to fix these labour discrimination issues. First, it will definitely improve the working conditions the government changed their regulations on how workers must be treated and paid. If the government takes the stand in changing their laws that benefit the workers then companies would be obliged to listen and provide their employees with better wages and accommodation. The unionization of the workforce may also be a start to a better future for the labor force. UAE is among a selected few who don't allow a workers union and in most instances strikes by labourers lead to deportation. Permitting labor unions to form will give these labourers a venue to voice their concerns and grievances. Secondly, companies should impose stricter safety regulations that will ensure the safety of their employees both in the working place and in their living environment. Arabtec along with other companies have blamed the workers for their own poor living conditions pointing to their lack of hygiene, but if they impose stricter

safety laws and teach the workers how to stay safe and live in a germ-free environment then such issues can be avoided. Companies can also change their ways and become a little more proactive by setting their own standards higher than what is required of them. Companies should have ethical laws which protect their workers from discrimination and treat them with equality. If they set their standards higher, not only will the workers be happier and more satisfied it will also motivate them to work harder.

In conclusion, companies shouldn't inherit all the blame considering everyone can have a part to play; even the workers; in making the labor situation better in the UAE.