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**QATAR: GRAND AMBITIONS,
WRETCHED LIVES**

How the exploitation of migrant workers fuels the al-Thani quest for economic and political power.

THE ILLUSION OF CORPORATE SOCIAL RESPONSIBILITY

BY NANDITA FARHAD AND NATALIYA SLOBODIAN



© Sheikh Mohammed bin Hamad bin al-Thani, son of the Emir of Qatar and chairman of the bid committee, celebrates Qatar's 2022 World Cup bid win. Photo/AP/Anja Niedringhaus

There are over 1.2 million migrant workers in Qatar, making up 94 per cent of the country's entire labour force.

In December 2010, Qatar controversially won the bid to host the 2022 FIFA World Cup and it is expected to spend over \$100 billion on stadiums and other World Cup projects over the next ten years. To achieve this, tens of thousands of extra workers will be needed.

However, just like in other oil-rich Gulf countries, these workers – who mainly come from developing countries in south-east Asia – are poorly paid and often mistreated. In a country where the Gross National Income per capita is well above US\$ 80,000, the average migrant worker makes just US\$300 a month. Migrants live in squalid conditions and have scant health and safety protection, leading to accidents at work – some of which are fatal.

Migrants have no voice to demand better conditions, since they are prohibited by law from creating or joining trade unions. This is a violation of the right to freedom of association and collective bargaining.

Yet, there are some companies involved in the 2022 FIFA World Cup which claim to be committed to Corporate Social Responsibility (CSR).

Despite their declarations of intent, in practice these companies do little to ensure human and labour rights for migrant workers, especially within their supply chains.

Take Hochtief AG for example, a German-based global construction company of which Qatar Holding LLC is a major shareholder, currently working on World Cup infrastructure. According to data from the Financial Times, the company has over 81,000 employees and revenues of about US\$ 34 billion.

Hochtief is working on one of Qatar's biggest construction projects: a joint venture

with Lusail Real Estate Development Company (a subsidiary of Qatari Diar) to develop a brand-new coastal city called Lusail

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by 2020. Located just 15km from Doha, Lusail is designed for 200,000 inhabitants and will host the opening and final matches of the 2022 World Cup.

Hochtief AG has committed to follow ILO labour standards through the UN Global Compact principles in respect of the human and labour rights of migrant workers throughout the supply chain.

“The Hochtief Code of Conduct provides guidance on responsibility for our employees, bringing together in binding form the key rules on conduct applicable at Hochtief. The Code of Conduct applies both for internal dealings with each other and for external relations with business partners, subcontractors, and public authorities,” reads the company’s website.

The company has a very detailed and comprehensive description of the way they ensure rights in their “Code of Conduct for Suppliers and Subcontractors”. In principle, their responsibilities should extend to the workers of contractors and subcontractors.

However, the necessity to actually comply with such obligations depends on the legal framework of the country of operation. Therefore, by operating in Qatar – where regulations on labour rights are not strongly enforced by law – Hochtief can make arbitrary choices about how to ensure human and labour rights.

In addition to that, regarding the “conditions to subcontract”, Hochtief only takes responsibility for employees working with subcontractors when the latter fail to comply with local laws, thus revealing a deep inconsistency between CSR strategy and CSR practice.

There are about 5,000 people working on Hochtief’s construction projects in Doha. But only about 100 workers are employed directly by Hochtief. The other workers belong to the other sub-constructing firms.



When a country's legislation does not oblige companies to follow the law, even if the said company has a well-defined CSR strategy for labour rights, protection of migrant workers is unlikely to be practiced voluntarily. And there are other companies that more or less openly disregard such issues.

According to Joachim Schares, a partner of the German architecture firm AS&P "issues of CSR, supply chain management and labour employment are out of the field of architects."

AS&P is one of the leading consulting firms working on the construction of stadiums for the 2022 World Cup. Three existing stadiums, like the al-Ryan in Doha, will be expanded and nine new stadiums will be built, ranging from 45,000-seater stadia for group matches to an 85,000-seater for the finals.

Architecture magazines have described these stadiums as providing "optimal conditions for players, match officials, spectators and media representatives as they are equipped with ultra-modern, eco-friendly cooling technology providing excellent outdoor comfort." However, not much can be said about the 'optimal conditions' for the workers who will actually build those stadiums.

Another big German-based company, Deutsche Bahn (DB) International, is involved in the infrastructure projects of the World Cup in Qatar. DB is the exclusive partner of Qatar Rail in the establishment of a rail system in Doha in time for 2022.

“All this confirms that the abuse and discrimination faced by migrant workers is rooted in the absence of comprehensive legal labour protections.”

DB management seems concerned about codes of conduct, but they define their responsibilities as "within the sphere of their influence", which virtually excludes their contractors and sub-contractors from any accusation of violating labour rights.

Moreover, they promise to comply with the legislation of the country of operation, but in a country such as Qatar this can result in the economic and general exploitation of migrant workers.

All this confirms that the abuse and discrimination faced by migrant workers is rooted in the absence of comprehensive legal labour protections. And this happens not only because of the interests of the receiving countries and the various multinationals,



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but also because the governments of sending countries are often more concerned with meeting 'development needs' than ensuring labour standards are upheld.

As for Corporate Social Responsibility, there is an evident gap in the way that it is governed, since the UN Global Compact is no substitute for any legal body and does not seem to have serious mechanisms for monitoring companies. So multinationals have sole responsibility for implementing the Global Compact's ten principles without being directly supervised.

In addition, Qatar has only ratified six out of almost 200 ILO Conventions and they do not include fundamental conventions like Freedom of Association and the Right to Collective Bargaining that would enable workers to form unions and demand better working and living conditions.

It is also well-known that the ILO does not have any binding powers or mechanisms to impose such international obligations, since the ratification of conventions is totally voluntary.

WHY THE 2022 WORLD CUP VIOLATES LABOUR RIGHTS

BY NANDITA FARHAD

A big part of the migrant labour force in Qatar comes from Bangladesh. Recent data put the number of Bangladeshi workers in Qatar at around 168,000 and that figure is expected to grow. Recently, Bangladeshi Foreign Minister Dipu Moni said that the government aims to send more workers and professionals to Qatar in the lead up to the 2022 World Cup.

Bangladeshi migrant labourers sent home a record \$1.22 billion in remittances in January this year, contributing to over 10 per cent of the national income.

There is no doubt that migrants are an indispensable resource for the country, yet current regulations and the labour market system doesn't protect them against abuses and exploitation.

▬ LABOUR SUPPLY CHAIN

There are various parties involved in the Bangladeshi labour supply chain, particularly for the forthcoming World Cup in Qatar.

Some of the actors are illegal Bangladeshi middle-men who work as expatriates in Qatar; others work as sub-agents of private recruitment agencies who recruit migrants directly from Bangladeshi villages.

The middle-men in Qatar maintain contact with Qatari employers and companies, collecting information about available vacancies or temporary jobs in construction or domestic work, for example.

These middle-men are in constant contact with the private recruitment agencies in Bangladesh, although sometimes they recruit workers via direct contact with family and friends.

When the Qatari employers, or 'sponsors', get work permits from the Ministry of Labour (MOL) ('sponsor visas' are issued by



“The middle-men in Qatar maintain contact with Qatari employers and companies, collecting information about available vacancies or temporary jobs in construction or domestic work, for example.”

Ministry of Interior based on these permits), these middle-men buy the permits and sell them on; mainly to private recruitment agencies but sometimes to workers in Bangladesh directly. They also offer to recruit labourers on the sponsors' behalf.

The middle-men therefore control the price of the permits, which range from \$700-\$3600. The result? The workers end up paying inflated fees.

“It is the Bangladeshi recruiting agents who take an unbelievable amount of money from the migrant workers,” confirms a middle-man who officially works as an executive in a private manufacturing firm.

He blames the Bangladeshi government for the practice and for “the bad situation of workers, since they do not monitor the pri-

vate recruiting agencies' activities and do not regulate the fees agencies' charge for the migration procedure.”

However, a Bangladeshi private recruiting agent, who asked to remain anonymous, said: “The middle-men are bidding the best price for the visa and agree on a sliding salary scale for the workers. As a result, Bangladeshi recruiting agencies are compromising lower and lower salaries for migrant workers and offering a higher and higher price for sponsor visas.”

Regardless of who blames whom, it is true that ‘sponsor visas’ and the visa trade increase the cost of migration. As a result, Bangladesh has become the supplier of one of the cheapest labour forces in the world.

The ‘sponsor visa’ or ‘kafala’ system creates loopholes in the migrant recruiting system, resulting in irregular trade of labourers. One of the most pernicious aspects of the ‘kafala’ system is that the passports of workers are retained by agents.





© Photo/Sam Tarling/Executive Magazine

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EXPLOITATION

Although no official reason has been given, in 2008 the Qatari government stopped issuing ‘fixed work permit visas’ for low-skilled migrant workers in Bangladesh. Work permits for high-skilled ‘expatriate migrants’ working for Multinational corporations (MNCs), however, are still issued.

It is important to consider that a ‘fixed work permit visa’ is issued for a specific type of work, for which employees are allowed to know all the necessary information about work conditions, wages and other details. But as this kind of visa is no longer issued, migrants are obliged to apply for the highly-expensive and unregulated ‘sponsor visa’.

To prevent the exploitation of Bangladeshi workers, the recruitment process should be undertaken by MNCs, the subcontracting companies or employers directly.

This would allow employers and contractors to recruit migrant workers directly from Bangladesh – arranging work permits with the Bangladeshi Ministry of Expatriate Welfare & Overseas Employment while posting job adverts online and in newspapers – thus substantially reducing the costs for the workers.

With the current system, however, the more intermediaries involved, the more workers have to pay “because portions of the money go in the pockets of each party involved in the process,” explains a Bangladeshi labour agent.

Ideally, the end-employer should pay any service charges directly to official Bangladeshi government agencies involved in the recruitment process.

But as it stands, workers are open to exploitation from all sides. “In the official document [contract paper], it is written that the recruiting agents have to pay the plane fares of the migrant workers to go to the country of destination, and the employers have to pay the return plane fares. In reality, the workers have to pay both the fares by themselves,” said a Bangladeshi private recruitment agent.

The reason why unofficial parties like middle-men continue to dominate the recruitment process is because the MNCs and Qatari ‘sponsors’ do not want to take responsibility for the recruitment and because they also want to avoid paying recruitment fees.

Instead, due to the huge supply of migrant workers from developing country such as Bangladesh, where workers are mostly semi-skilled or unskilled, recruiting agencies sometimes bribe employers/sponsors to get the ‘sponsorship visas’ instead of getting paid by them as they are able to make more

money selling them to migrants desperately looking for work.

And yet all this could be solved by banning ‘sponsor visas’ and reinstating ‘fixed work permit visa’ through the direct involvement of the MNCs, employers and the Bangladesh government in the migrant labour recruitment process.

“The reason why unofficial parties like middle-men continue to dominate the recruitment process is because the MNCs and Qatari ‘sponsors’ do not want to take responsibility for the recruitment and because they also want to avoid paying recruitment fees.”

THE QATARI ECONOMY : FROM PEARL RAGS TO OIL RICHES

BY CHARLOTTE KAN

It is hard to believe that the small emirate of Qatar was once one of the poorest states in the Gulf. For centuries inhabitants lived off pearl-fishing and until 1971 it was a British protectorate, before becoming a constitutional monarchy ruled by the al-Thani family. Exploitation of large oil and gas fields in the 1940s led to an economic boom and today, Qatar has the world's highest Gross Domestic Product (GDP) per capita (US\$104,300 according to 2011 estimates from the US CIA).

Covering an area of 11,000 square kilometres and with a population of around 1.8 million, Qatar may be the smallest member of the Organization of the Petroleum Exporting Countries (OPEC) both in terms of area and population, but nevertheless it holds the world's third largest natural gas reserves and the twelfth largest proven oil reserves.

Oil and natural gas account for more than 60 per cent of the country's GDP, around 85 per cent of export earnings and 70 per cent of government revenues. This natural wealth has allowed the emirate to enjoy a period of unparalleled prosperity.

However, Qatar is acutely aware of its need to diversify its economy: it is too reliant on hydrocarbons and thus too vulnerable to price fluctuations. It is also working to develop a private sector and increase foreign investments in its non-energy sectors.

To this end, in 2008 Qatar introduced the "National Vision 2030", a blueprint for the implementation of national development strategies. By calling for the investment over 40 per cent of its national budget towards the development of new infrastructures to diversify its economy, the scheme aims to transform Qatar into a country capable of sustaining its own development and providing a high standard of living for future generations.

In order to do so, Qatar has embarked on a vast investment programme in world-class infrastructure to create a dynamic and diverse economy in which the private sector plays a prominent role.

According to Business Monitor International, construction and energy projects

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worth US\$125 billion are planned over the coming years, whilst transport infrastructure investment of \$80-\$100 billion is forecast over the next five years.

“ Qatar is acutely aware of its need to diversify its economy: it is too reliant on hydrocarbons and thus too vulnerable to price fluctuations. It is also working to develop a private sector and increase foreign investments in its non-energy sectors. ”

Amongst the key projects are the construction of the Doha Metro, which should be complete by 2022, 350 kilometres of railway line, the expansion of Doha International Airport, a brand-new city called Lusail (see page 4 for more details) and a new urban waterfront development built from scratch located on the east coast.

As part of its bid to host the FIFA World Cup in 2022, Qatar also plans to invest up to \$70 billion in hotels, leisure, tourism, sports, recreation and other infrastructure projects. To do so, Qatar has seen an influx of unskilled workers, mainly from the Asian sub-continent, leading to an important rise in the ratio of expatriates in the local workforce.

In 2005 the emirate created a sovereign wealth fund, the Qatar Investment Authority (QIA) to strengthen the country's economy by diversifying into new asset classes and investments both at home and abroad. QIA, said to hold more than \$100 billion of assets, invests in companies, industrial projects and real estate abroad.

High-profile investments include the Shard skyscraper in London. Designed by Italian architect Renzo Piano, and towering over the south bank of the River Thames, the Shard, is, at 310 metres, the tallest building in the Europe Union, a potent symbol of the Gulf state's growing financial and political power. Other 'prestige' investments in London include the Chelsea Barracks and luxury department store Harrods.

Elsewhere in the world, keen to flex its diplomatic muscles, Qatar has wasted no time in filling the investment void left by the Arab Spring by financing a variety of projects in North Africa.

In Tunisia, where the revolution that would engulf the rest of the region started in 2010, the events were followed by a considerable economic slowdown. The country's GDP contracted by 1.8 per cent in 2011, and unemployment is now close to 20 per cent. Meanwhile, foreign direct investments (FDIs) plunged 29.2 per cent last year. However, early in 2011, Qatar acquired a 75 per cent stake in the privately-owned telephone operator Tunisiana.

Struggling to raise money on the markets where lending rates are very high, Tunisia has also benefited from a \$1 billion loan by the Gulf state, half of which was allocated to support the central bank in a private placement. In May this year, Qatar's Foreign Minister visited Tunisia to discuss the implementation of "major industrial, tourism and real estate projects" in the country.

Qatar is keen to use its vast financial reserves to become a strong regional political force by using them for mediation purposes. Financing key energy, infrastructure and real estate projects in post-Arab Spring countries like Tunisia is part of Qatar's strategy to create a relationship of interdependence as well as creating a positive image for the state.

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“Qatar has always had a very active business diplomacy whereby you have this sort of 'state capitalism' – it's still a relatively small society – where they can very quickly turn on different branches of the state in support of a common objective,” notes Gulf expert Kristian Coates Ulrichsen, a research fellow at the London School of Economics.

“There has been significant Qatari investments in Lebanon for example, in parts of Yemen, in Darfur to support mediation initiatives and so it should not be a surprise to see they are trying to utilise it again in Tunisia and Libya.”

However, after experiencing double-digit growth in 2011, Qatar’s economic boom is set to slow down this year due to falling oil and

gas prices. “The economic outlook for 2012 remains positive, despite increased external risks. Real GDP growth rate is projected to moderate to six per cent in 2012,” the IMF said in December 2011.



AL-THANI'S EXPANDING SPHERE OF INFLUENCE

BY JOEL SCHALIT



© Photo/AP/Osama Faisal

The Israeli government was angry.

“It is quite strange that the Emir of Qatar should choose sides within the Palestinian camp, and choose the wrong side while he is at it,” remarked Foreign Ministry spokesperson Yigal Palmor.

Arriving in Gaza in the midst of a heated military exchange with Hamas, Israel was going to have to hold fire for the duration of his visit. It would have to make due with criticising the monarch, instead.

“Whether one agrees with the emir’s efforts or not, involving himself in the Israeli-Palestinian conflict, albeit in internal Palestinian politics, epitomises the prerogative that Qatar has assumed in Middle Eastern affairs.”

The most prominent head of state to visit the Palestinian territory since Hamas seized control from Fatah in June 2007, the emir’s arrival was the culmination of a series of initiatives aimed at replacing Iran as the Palestinian organisation’s main sponsor. One might imagine that the Israeli government would prefer this change, particularly given its history of dealings with Qatar. No such luck. As Palmor would have it, “What this visit means is that he sides with Hamas, and not with the PA (Palestinian Authority).”

There, in a nutshell, lies the heart of local concerns about Sheikh Al Thani’s foreign policy initiatives in the region.

Whether one agrees with the emir’s efforts or not, involving himself in the Israeli-Palestinian conflict, albeit in internal Palestin-

ian politics, epitomises the prerogative that Qatar has assumed in Middle Eastern affairs.

The Palestinians are but one example. Well-known for its involvement with Syria's rebel movement, Egypt's Muslim Brotherhood, and the Libyan revolution, over the last two years, tiny Qatar has become a regional power broker.

For viewers of Sheikh al-Thani's legendary international news network, Al-Jazeera, such regional initiatives make a great deal sense. Though the broadcaster is not a press bureau-equivalent for the monarch, its positions frequently dovetail with his own [Although it must be said that critics of the outlet tend to prefer much more serious concerns about Al-Jazeera's editorial independence]. Certainly, the congruity in opinion suggests more closeness is to be found than not.

There's something attractive about the idea of a crusading Gulf monarch, armed with a well-regarded, left-leaning media com-

pany, inspiring would-be regional revolutionaries with his programming, and, most recently, weaponry.

Al-Thani's image, certainly to many in the West, is something of a benevolent petroleum king, using his immense resources to spearhead the democratisation of the Arab world. In terms of regional politics, al-Thani's example is equally without precedent.

Since the heyday of Arab nationalism in the late 1960s, no local leader has managed to project their influence the way the emir has. Not just in the Middle East, but abroad as well.

Indeed, the political direction of the region, post-Arab Spring, would be hard to imagine without referencing Al-Jazeera, and its framing of the uprising. They are practically synonymous. If you're aware of the Sheikh's backing of regional opposition groups, what you see, through the lens of Al-Jazeera programming, becomes that much more complex.

“ Since the heyday of Arab nationalism in the late 1960s, no local leader has managed to project their influence the way the emir has. Not just in the Middle East, but abroad as well. ”



© Al-Jazeera/Photo/Paul Keller

There's something especially unnerving about it. Particularly if you appreciate the analogies between this picture, and that of government news broadcasters in crusading authoritarian states, explicitly promoting the policies for example, of revolutionary socialism.

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Still, Qatar may play a positive, short-term role in promoting regional peace and stability. For example, when Sheikh al-Thani visited Gaza in October, he brought with him 90 tonnes of humanitarian aid, in order to help repair the damage from Operation Cast Lead.

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Al-Jazeera's ambiguous status, as a privately-held broadcaster, without the explicit trappings of an official media outlet, serve Qatar's purposes well. Its English-language programming produces enough liberal-left content, in an Anglo-American vernacular, to endow it with an aura of independence.

A crucial facet of Al-Jazeera's credibility lies in its coverage of the Palestinian crisis. From journalistic coups, such as its publication of the controversial Palestine Papers, to its often-lauded coverage of Operation Cast Lead, AJ's partisanship has helped foster the notion that Qatar is partial towards the Palestinians. [Since 2008, Israeli has slowly shut down Al-Jazeera's local office, denying its staff visa renewals, and restricting its access to government spokespeople.]

However, it's important to understand that as supportive as Al-Jazeera has been of the Palestinians, it has also gone to great lengths to single out members of the Ramallah-based Fatah (who lead the Palestinian Authority) for its corruption, and collaboration with Israel. Thus, when Sheikh al-Thani offered Hamas leader Khaled Mashaal asylum from Syria earlier this year, and, this fall, visited Gaza, it served as confirmation to many in the region that Qatar's official preference has swung towards the Islamist organisation.

Unsurprisingly, Fatah was alarmed by the emir's trip. "Looking for a political power in the region at the expense of the Palestinian people and their rights and unity is unacceptable," an official press release stated. "Changing the miserable situation in Gaza is

something good," Fatah official Samir Abdullah told AP. "Nobody would look at it otherwise. But it shouldn't be used to encourage the separation between the West Bank and Gaza, or make reconciliation more difficult."

In signaling its preference for Hamas, it increasingly appears Qatar had helped sign Fatah's death warrant. "The regime in Ramallah has no hope for survival," Danny Rubinstein recently wrote in Israel's daily newspaper Calcalist. It would just be a matter of months before it collapsed, Rubinstein recounts an Ethiopian diplomat telling him.

Still, Qatar may play a positive, short-term role in promoting regional peace and stability. For example, when Sheikh al-Thani visited Gaza in October, he brought with him 90 tonnes of humanitarian aid, in order to help repair the damage from Operation Cast Lead.

Few observers noted at the time that this constituted a break of Israel's siege of the territory, especially following the failure, that same month, of another European operation to do so.

As noted at the beginning of this article, Israel allowed the visit to take place. Qatar's aid was delivered.

Over the long term, it is hard to envision a fresh regional order led by a country so willing to play favourites with such fragile constituencies as that which exist in the West Bank and Gaza Strip. Arab Spring remains inspired by democratic, and egalitarian social aspirations absent from Hamas' political imagination. One can only hope that its main regional backer will find the inspiration to help inject the same spirit into a free and independent Palestine. Optimism is in short supply.