

Cheap labour

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Simultaneous with establishing the right of migrant workers to change employers on 30 August 2020 (see the article [Qatar abolishes the kafala system, when will Singapore do so?](#)), Qatar has also set a non-discriminatory minimum wage for the first time. It applies to all workers, of all nationalities, in all sectors, including domestic workers.

To come into effect in six months' time, the monthly minimum wage is set at 1,000 Qatari riyals (QAR), which is equivalent to Singapore \$373.

Minimum allowances have also been fixed. Workers are to get at least QAR 300 (\$112) to cover cost of food and QAR 500 (\$186) for housing if employers do not provide these benefits in kind.

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An infographic produced by the International Labour Organisation can be seen by clicking the thumbnail at right.



It is estimated that about 400,000 Qatari workers are likely to benefit, their current salaries being below this minimum. There are a total of about 2 million migrant workers in Qatar, making up nearly 90% of the country's population.

The law also provides for a Minimum Wage Commission to be set up, which will review and propose adjustments, going forward.

Singapore remains ideologically opposed to legislating a minimum wage, certainly not for foreign workers.

Monitoring will be a challenge

Like in Singapore, salary abuses are among the most common complaints from migrant workers in Qatar. In 2015, Qatar set up its **Wage Protection System (WPS)**, which represented an important step forward. Over the years however, it has become apparent that operationally, there is much room for improvement.

How does the WPS work?

- Employers have to ensure that all their employees have bank accounts.
- Every payday, employers have to submit to their respective banks a spreadsheet showing the wages to be paid to each employee.
- Employers are to transfer to the bank the total amount of money needed to make the payments.
- The bank will distribute the money to employees' accounts.
- The bank will then forward the spreadsheet to the Qatari Central Bank and the government.
- Officials in the government (called checkers and blockers) may scrutinise the details and if an employer has not paid wages for the month, the employer may be blocked from getting new work permits or renewing them.

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In 2019, the International Labour Organisation's Qatar Project Office was tasked by the Qatari government to conduct an assessment of WPS. It found a number of shortcomings, including,,

- A substantial number of enterprises and their employees are still not registered with WPS; compliance is not universal.
- There are still large numbers of salary complaints lodged with the government authorities, indicating that WPS is not succeeding in preventing wage theft.
- Due to the workload, the WPS unit prioritises cases and some cases may take quite long to investigate and resolve.
- Penalties for non-compliance may not be sufficiently dissuasive to employers.
- The reporting system does not demand enough granularity of detail. For instance, only the amounts for basic salary and "additional payments" are asked for by the spreadsheet format and it is impossible to tease overtime wages, allowances, etc, out from "additional payments".
- Thus, WPS can only monitor that some money was paid to employees, but not whether it was correctly calculated.

That having been said, the WPS offers a promising platform for real wage protection. The ILO's assessment study made a number of recommendations to strengthen it, including reconciliation between actual payments and contracts (these are already filed with the government), asking for a more detailed breakdown of the wage calculation, checking overtime calculations, getting banks to routinely issue advice slips to workers showing (with itemised detail) how much was transferred into their accounts, and reviewing WPS records before the government awards contracts to bidders for various state projects.

By contrast, Singapore's Ministry of Manpower has no monitoring system at all for wage payments. It did not even require salaries to be paid electronically until this year.

Labour Dispute Settlement Committees

To resolve employment disputes, Qatar set up in 2018 Labour Dispute Settlement Committees, each chaired by a Court of

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First Instance judge, with two other appointees, to “fast-track” dispute resolution. The jurisdiction of these committees includes the application of labour law and employment contracts. Parties dissatisfied by a committee’s ruling can appeal to the Court of Appeal within 15 days.

While a websearch uncovers a fair amount of literature about how the committees are supposed to work, there is far less reporting on how they actually work, how effective they are and what are the real wait times for resolution.

Therefore it is not possible to attempt any comparison with Singapore’s system that involves mediation overseen by the Tripartite Alliance for Dispute Management and adjudication by the Employment Claims Tribunal.

Workers’ Support and Insurance Fund

Also established by law in 2018, the Workers’ Support and Insurance Fund only became operational in 2020. Its purpose is to pay workers what they are owed when they have won their claims through the Labour Dispute Settlement Committees but still remain unpaid because the employer has gone out of business or been closed due to illegality. The Fund will later seek to reclaim the payments from the employer and the money so obtained will be added to the Fund’s resources.

At least, that’s the plan.

However, [according to a report by Human Rights Watch \(HRW\) \(August 2020\)](#), out of fifteen migrant workers interviewed by HRW and who had taken their cases to Labour Dispute Settlement Committees, fourteen were yet to be paid their dues, through the fund or otherwise.

More crucially, the Fund needs to have a steady source of revenue; it cannot depend on reclaiming payments from defunct employers.

TWC2 has made similar proposals for Singapore over the years, albeit under varying names. As far back as 2013, we proposed a “Foreign Workers Assistance Fund” in [Proposals submitted for “second phase” employment legislation review](#) to assist “workers left high and dry because their employers have disappeared or gone bankrupt.”

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We explained that after paying workers, “the Fund should have recourse to obtain reimbursement from the employers under the law, but the Fund would be in a better position to utilise judicial processes to obtain reimbursement than a single worker ever can.”

In 2017, our report [Labour Protection for the Vulnerable](#) urged a similar statutory relief fund. In February 2018, we wrote in greater detail about a Backstop Fund in the article [Employer sent to jail, worker’s compensation still unpaid. Is this good enough?](#) The idea was mentioned again in the article [When court orders are worthless: the Zach Engineering case](#). A small portion of the Foreign Workers Levy that the government collects can be earmarked to support the Backstop Fund.

The Ministry of Manpower has yet to show interest in the idea.

Commitment to change

Taken together, the many measures that Qatar has instituted over just the last few years, including the most recent liberalisation of job mobility for migrant workers, demonstrate a political commitment to reshaping the migrant labour landscape for the better. Implementation will still be a rocky road, but at least the direction is clear.

FOOTNOTES

For more information, see also:

[ILO: Qatar adopts a non-discriminatory minimum wage](#)

[ILO: Assessment of the Wage Protection System in Qatar \(June 2019\)](#)

[TMF Group: Qatar Wage Protection System](#)

[Ministry of Administrative Development, Labour and Social Affairs: An explanatory leaflet on WPS \(unclear date\)](#)

[Human Rights Watch: “How can we work without wages?” \(24 August 2020\)](#)

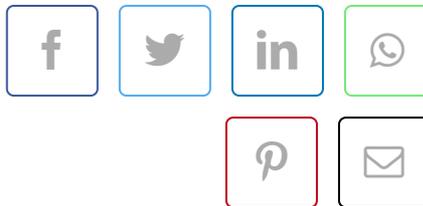
Gulf Times: Qatar's new labour disputes settlement process (June 2018)

National Human Rights Committee of Qatar: Workers' Rights Booklet (January 2018) (see Chapter 10, page 72, re Access to Justice and the Labour Dispute Settlement Committee)

Gulf Times: Proposed insurance fund will protect workers' dues: Minister (6 September 2018)

Amnesty International: Qatar: New fund could bring hope to exploited migrant workers (31 October 2018)

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