

Business & Human Rights

"Prestigious" construction company in Bahrain leaves workers in despair

On June 9, 2020

Several hundred workers of Fundament SPC owed up to 8 months of unpaid salaries and final settlement have been pushed into despair and struggle to survive in Bahrain.

Following a trend that is now all too common in Bahrain, around 700 workers of Fundament SPC, a construction company, are victims of non-payment of wages. While all of the workers have pending salaries of up to 8 months, around 150 workers who resigned six to eight months ago are still waiting for their dues and settlement. The workers who have not resigned live in a separate camp and continue to work on active projects, despite not being paid for several months.

According to the workers, the company has paid only one month's worth of wages every three or four months for the past couple of years, a common practice in construction companies across the Gulf.

The 150 workers who resigned are currently stranded in their labour camp in Nuwiedrat while they fight to recoup their wages. The workers' visas are expired and they struggle to survive without food and money. They had relied on a cold store near their camp to provide them with groceries on credit, but with debt piling up the grocery store has stopped lending support.

"All workers here [at the camp] owe between 160 BD (425 USD) to 200 BD (530 USD) each to the cold store nearby, but now the cold store stopped lending us food as we have not been able to pay back for a long time... The company is not providing us with anything, only water and gas," an Indian worker told Migrant-Rights.org

With the assistance of social workers, the 150 Fundament SPC workers lodged a complaint at the Ministry of Labour (MoL) on 31 May. Prior to this, the workers had not filed a formal complaint. According to the Indian workers Migrant-Rights.org spoke to, when they first approached the embassy, the staff there advised them not to file a formal complaint in the hope that they could negotiate with the company.

Fundament SPC is a sole proprietorship, owned by Ali Ahmed Ali Al-Derazi who was a Bahraini Member of Parliament from 2011 to 2014. Bahrain's Ministry of Housing listed the company as a "Grade A" building contractor, the highest grade given to construction companies.

Last year, the company won the "Award of Business Excellence" at the 2019 Trilateral Global Summit in London. Fundament SPC is among the most profitable construction companies in Bahrain and the company has won contracts for several commercial and residential buildings for both public and private clients. In 2017, the company won a BD 16 million (USD 41.8 million) bid as the main contractor for the Al Tijaria Tower project, one of the tallest residential buildings in Bahrain.

Migrant-Rights.org reached out to the company on their registered email but received no response. According to the workers, the company's management has not been responsive and continuously ignores their calls. Social workers on the ground told MR that the MoL is currently negotiating with the company owner to 'amicably' resolve the issue. These drawn-out 'negotiations take place without the presence of workers at the table and often result in no resolution or reprieve.

As a short-term solution, the Bahraini government should use the [unemployment fund](#) to pay for stranded migrant worker's wages and immediate needs, and reclaim that amount at a later point from the employer. The fund established under the social insurance law has an annual surplus of BD 80 million (USD 212 million, according to [Al-Ayam](#)). Though the unemployment fund is rarely used for migrant workers, migrants – who make up 80% of the private sector's workforce – do pay into Bahrain's social security system, including unemployment insurance.

The Bahraini government must immediately put an end to the rampant problem of non-payment which has been affecting many workers over the past years, with the COVID-19 pandemic worsening the situation. The government must be strict in regulating and enforcing labour laws and penalties for non-compliance, and hold employers accountable, including the owner of Fundament SPC.

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