



UNITED ARAB EMIRATES
MINISTRY OF HUMAN RESOURCES
& EMIRATISATION

2015 WORKER WELFARE REPORT

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FOREWORD

The United Arab Emirates' exponential growth in recent decades as a global centre of commerce and tourism has been achieved thanks to the hard work of millions of people from all over the world.

Every year, people from all corners of the planet travel to our great country to contribute to its growth, putting their skills to use to build and operate the institutions and infrastructure that are now the lifeblood of our national economy.

As a nation, we are proud to host such a diverse, eclectic population. We are proud, too, that at a time of economic slowdown in many parts of the world, the United Arab Emirates continues to create jobs and offer opportunities for people to better themselves, and

better the prospects of their families and home nations.

In 2014 alone, UAE-based workers remitted USD \$19.28 billion home, according to the World Bank, with nearly half of that money going to the developing world. To put the value of those remittances in perspective, that is approximately USD \$2 billion more than the entire overseas development aid budget of the UK – the world's second most generous donor – during the same period.

That money directly benefits some of the world's poorest communities. It enables access to health and education, is invested in creating sustainable societies, and raises standards of living in recipient countries.





The UAE remains a young country undergoing dramatic change and huge economic growth. That brings significant challenges in terms of the management of the labour market. It is vital, however, that all workers in the UAE enjoy employment protections that conform to the highest standards of international best practice and law, which is why the UAE Ministry of Human Resources and Emiratisation is at the forefront of driving reform to protect workers.

Only by upholding the reputation of

our nation as an equitable provider of employment will we continue to be able to attract the brightest and most skilled from around the world.

This is the first in what is intended to be a series of annual reports on labour welfare undertaken by the Ministry of Human Resources and Emiratisation. It is part of our drive to increase transparency around labour issues, improve data reporting and ensure that discussion around transnational labour mobility and economic development is frank and fair.

Some of the highlights from 2015 include:

- Standardising labour contracts in order to promote clarity and transparency for workers and employers
- Further relaxation of rules enabling workers to move freely between employers
- Evaluating and reviewing every aspect of working in the emirates - from recruitment to housing - and making significant reforms designed to ensure all workers are treated respectfully at all times, and able to report instances of maltreatment easily
- Appointing 63 legal professionals to help resolve labour disputes, and training 100 members of staff to facilitate the process of dispute resolution
- Implementing a new, dynamic smart inspection system to enable the Ministry's Inspectors focus their efforts on higher risk business establishments

The priority of the Ministry of Human Resources and Emiratisation is to ensure that all workers that come to the UAE are recruited and employed equitably, are safe in their place of work, and are free to advance professionally and personally.

The UAE's workforce is our greatest asset: the driver of growth that enables economic diversification and secures the future for tomorrow's generation.

The Ministry of Human Resources and Emiratisation is committed to ensuring our workforce is protected and that its dynamism is harnessed for the good of all.

Saqr Ghobash

Minister of Human Resources and Emiratisation





KEY INITIATIVES

The protection of workers is fundamental to the ongoing work of the Ministry of Human Resource and Emiratisation. Over the course of 2015, the Ministry undertook significant steps to ensure worker protection, including reviewing legislation and regulatory oversight, improving dispute resolution systems and increasing transparency.



Maintaining Standards at Recruitment Agencies

Many of the issues that non-national workers have faced in the past have originated with malpractice by recruitment agents. Consequently, the Ministry of Human Resources and Emiratisation has been cooperating with countries of origin to improve practices within the recruitment industry as a priority issue.

In 2011, the Ministry raised the licencing standards for recruiters to include a bank guarantee designed to help safeguard workers welfare.

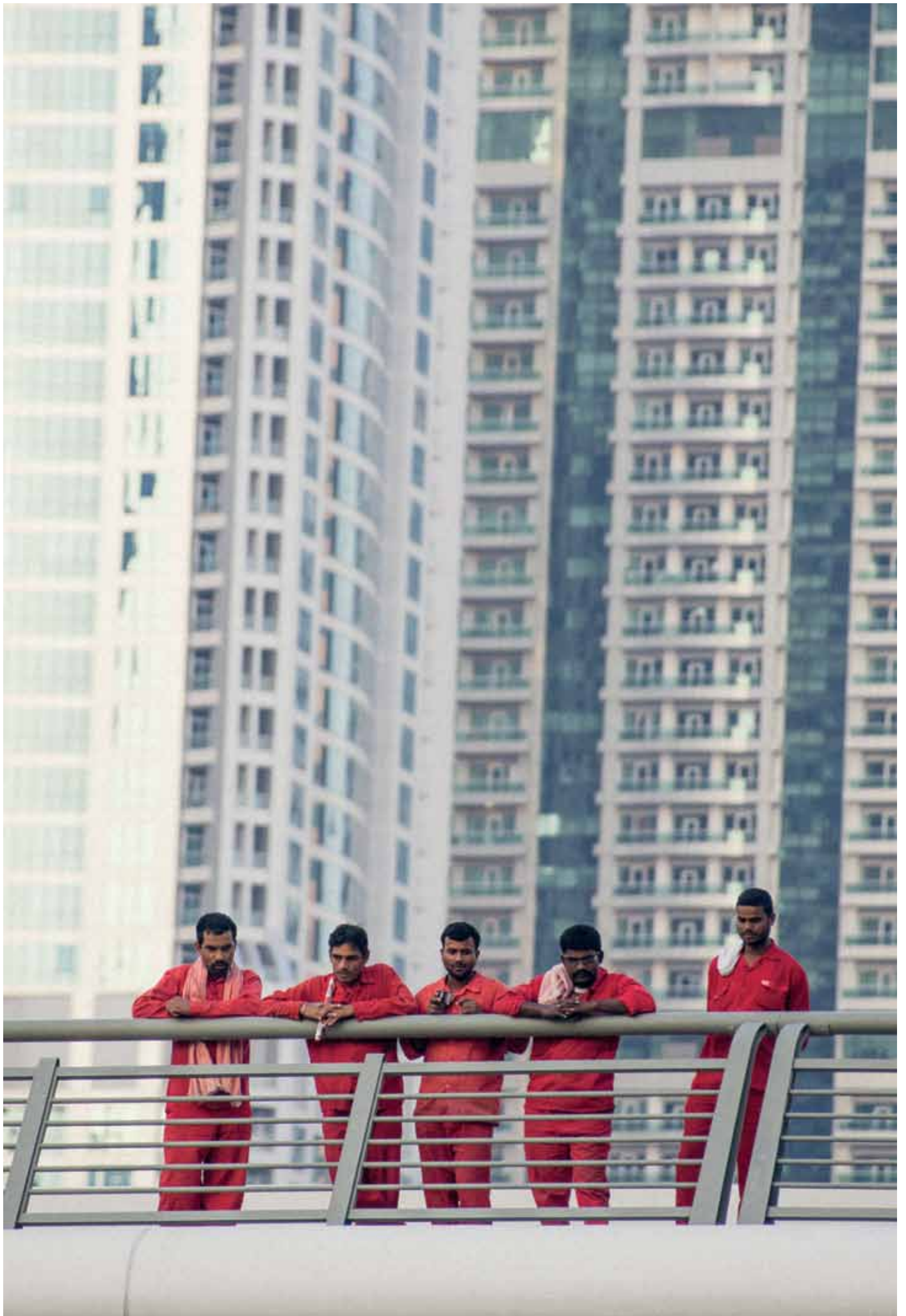
In order to obtain a licence from the Ministry, recruitment agencies must

now meet strict criteria. The Ministry must be fully satisfied that a recruitment agency must recruit transparently, protect worker welfare and conform to UAE law.

As of the end of 2015, the number of recruitment agencies that have met the required operating standards and been granted licenses by the Ministry is 412. We continue to closely monitor the practices of recruitment companies and take immediate actions when violations take place. In 2015 the Ministry suspended the licenses of recruitment agencies that violated recruitment practices.







Enhancing Contract Transparency

No employer in the UAE can engage workers against their will or on terms that do not meet UAE labour standards. All employment contracts in the UAE must be consensual by nature and both parties have the right to terminate an employment contract at any time, in accordance with the terms and provisions of the contract. Under new standards, the Ministry holds employers responsible for attesting in the standard contract to the fact that workers have not been charged recruitment fees.

Between 2011 and 2014, the Ministry of Human Resources and Emiratization processed, on average, 880,000 contract terminations a year.

In 2015, the Ministry took steps to ensure the contracts workers are asked to sign are standardised, to

prevent contract substitution and to promote clarity and transparency. The Ministry launched a package of reforms designed to promote transparency regarding fixed-term and unlimited contracts.

Henceforth, no non-National worker can be recruited from overseas for employment in the UAE until he or she has been presented with a standard job offer that conforms to the UAE Standard Employment Contract (SEC). The standard job offer is available in eleven languages and must be signed in the employee's country of origin before his or her work permit can be processed.

The Ministry also works to ensure that all workers obtain a copy of UAE employment law without charge, so that they know their rights.



Protecting Employees from Non-Payment of Wages

No worker in the UAE should have his or her wages withheld under any circumstance.

In 2009, the Ministry of Human Resource and Emiratisation implemented the Wages Protection System through which the Ministry, in cooperation with the UAE Central Bank, is able to monitor the payment of wages to workers in the private sector. To date, some 290,682 organisations have already signed up to the Wages Protection System.

The Wages Protection System requires

employers to deposit salaries directly into the personal accounts of workers and is monitored by the UAE Central Bank, in cooperation with the Ministry of Human Resources and Emiratisation, to ensure that employees are receiving their salaries on a regular basis.

Since the Wages Protection System was launched, the Ministry of Human Resources and Emiratisation has carried out 8391 site visits to companies suspected of failing to pay employees and issued orders to 4383 companies to pay companies within five days.





In the event of an employer's failure to pay salaries, workers are additionally protected through employer bank guarantees, which the Ministry can draw on in the event of default. Currently, UAE companies have set aside AED 22 billion in the form of bank guarantees.

A total of 371 companies have defaulted on obligations to workers since 2009, but the Ministry has been able, through the bank guarantees, to recover AED 40,737,898 in wages, distributed to 16,497 workers.

The Ministry of Human Resources and Emiratisation has made the complaints process as simple as possible for any worker wishing to report unpaid wages. Workers can contact the Ministry through its website, through smartphone applications, or through call centres, which provide assistance in 13 different languages.



Ensuring Fair Compensation for Overtime

The Ministry of Human Resources and Emiratisation is committed to ensuring that all employees who are required to work overtime receive adequate recompense for their time.

To date, the Ministry has carried out 154,927 site visits to ensure workers are being paid for overtime, registering delays in overtime payment at 12,103 companies, resulting in 4024 legal violations.

As a result, the Ministry has suspended the issuance of hiring permits to 1776 businesses and issued fines totalling AED 5,270,000 to 174 companies. Additionally, the Ministry has summoned 258 companies to appear before the Public Prosecutor for failure to pay sufficient overtime to workers.



Overseeing the Provision of Decent Accommodation

The Ministry of Human Resources and Emiratisation has undertaken much work in recent years to ensure that workers are provided with decent housing. This work has been carried out in close cooperation with several other UAE government entities, including the UAE Civil Defence Service.

The comfort and safety of workers in their accommodation is paramount and, when companies provide accommodation, it must meet legal standards.

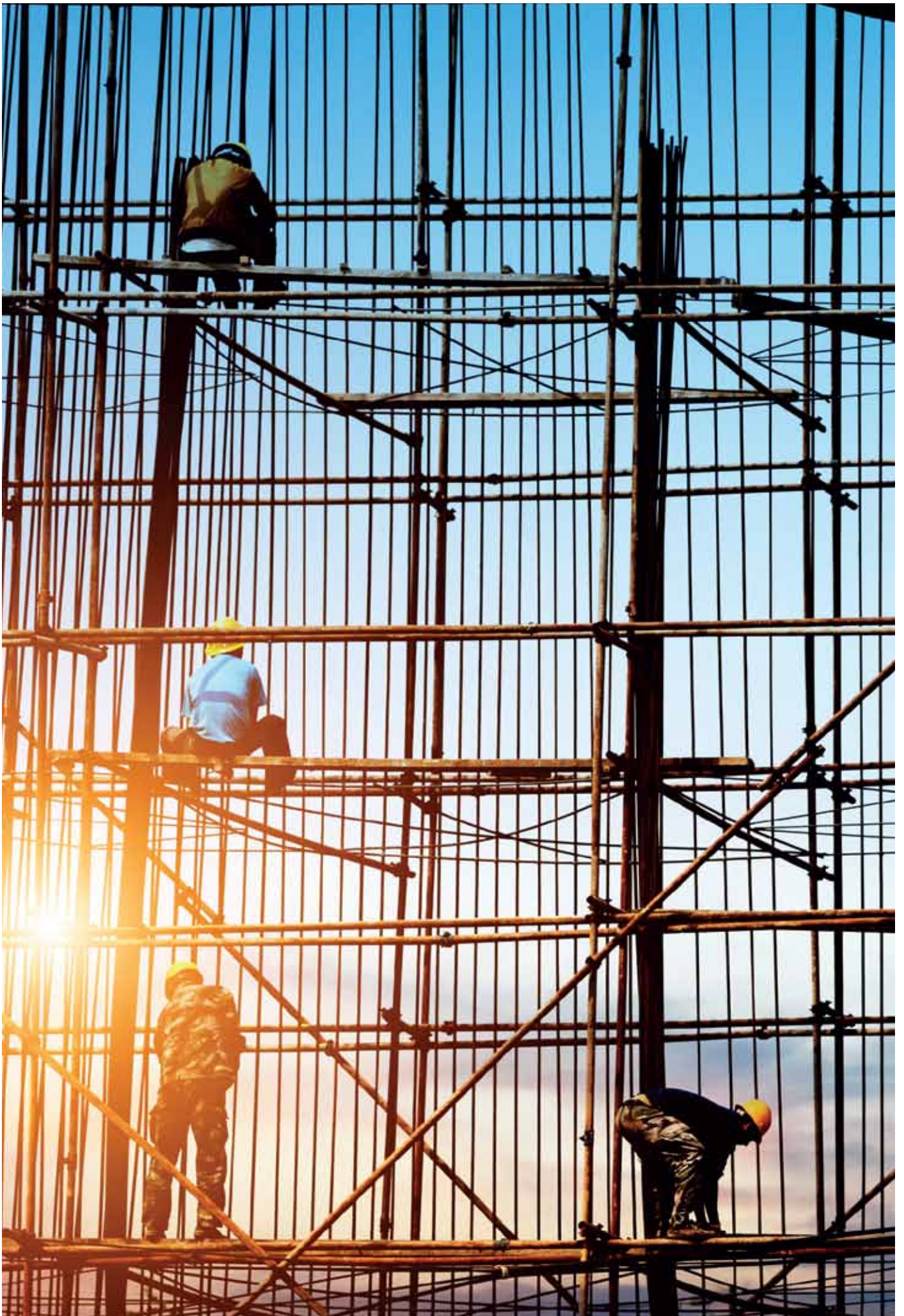
The Ministry conducts regular site visits and inspections of worker accommodation.

In the event of major failings to provide workers with decent accommodation, the Ministry is able to suspend business licences or call companies before the Public Prosecutor. Where minor infractions are detected, the Ministry typically orders employers to rectify failings and makes another inspection within two weeks.

In 2015, the Ministry suspended the issuance of hiring permits at fifteen companies for failing to house employees adequately and issued an AED 10,000 fine to six other companies.







Setting Standards of Health and Safety

The Ministry of Human Resources and Emiratization is rigorous in its efforts to ensure all companies in the UAE adhere to strict health and safety standards to safeguard workers.

To ensure that occupational health and safety standards are world class throughout the emirates, the Ministry works closely with bodies such as the Abu Dhabi Occupational Health and Safety Centre, Zones Corp, various

municipalities and the Permanent Committee for Labour Affairs in Dubai. Much of the Ministry's efforts at ensuring high health and safety standards are upheld are focused on factories, workshops and construction sites. Frequent site visits and inspections take place and awareness-raising campaigns have been launched. In 2015, the Ministry carried out 4,127 health and safety site visits.



Protecting Workers from Discrimination

No worker in the UAE should ever be the victim of discrimination and the government takes seriously its commitment to eradicating discrimination in all its forms.

The UAE is a longstanding signatory of the UN Convention on the Elimination of All Forms of Discrimination Against Women. It is also a signatory of the International Convention on the Elimination of All Forms of Racial Discrimination.

Other international anti-discrimination initiatives the UAE has signed up

to include: the Equal Remuneration Convention (providing for equal pay for men and women) and the Discrimination (Employment and Occupation) Convention (which opposes anyone being barred from employment or living quarters based on the basis of gender or ethnicity).

The UAE submits regular reports to the International Labour Organisation regarding the treatment of UAE workers and the progress being made in the country to eradicate discrimination in all forms.





In recent years, the Ministry of Human Resources and Emiratisation and other UAE government entities have done much to promote equality for women in the workplace and to ensure that women are not penalised by employers for taking time off work for pregnancy or maternity leave. Legislation has been passed that safeguards the right of women to balance work and domestic life through flexible working hours and guaranteed periods of paid leave.

The Ministry of Human Resources and Emiratisation Guidance department makes considerable efforts throughout the year to promote awareness of anti-discrimination initiatives and to ensure all workers in the UAE are cognisant of their right to not be discriminated against. To this end, the Guidance department distributes anti-discrimination literature and gives talks at a wide variety of workplaces in the UAE.

Enabling Access to Justice

It is imperative that all workers in the UAE understand that not only are they protected by the law, but that the nation's courts are easily accessible. All workers have the right to have their dispute heard without the payment of fees, at all levels of complaint settlement, from Ministry resolution through to the Court of Cassation.

The Ministry of Human Resources and Emiratization has worked effectively in recent years to streamline the processes by which labour disputes can be raised and resolved, without recourse to the courts. For example, the Ministry has employed and trained 63 multilingual labour law professionals to preside over disputes that can be resolved without recourse to court.

A further 100 Ministry employees have been trained in all aspects of labour dispute arbitration in order to help workers and employers resolve disputes rapidly and satisfactorily.

From January 1 2015, a new labour dispute submission process was implemented by the Ministry, speeding up the process of raising and resolving disputes. Over the course of 2015, the system was tested and reviewed.

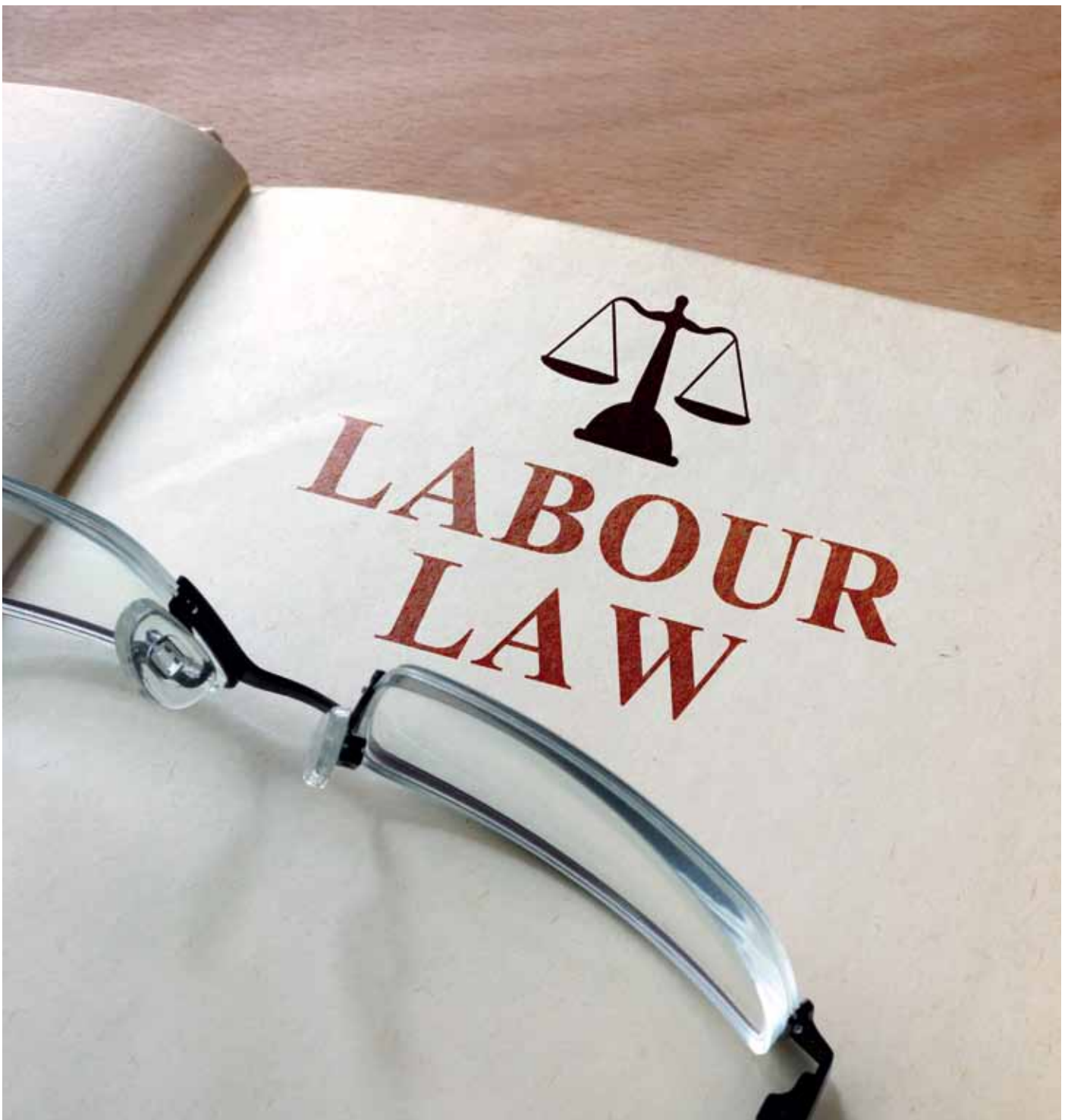
Recent years have seen a rise in the submission of disputes for resolution, up from 1.91 disputes raised per hundred workers in 2011, to 2.02 disputes per hundred raised in 2014. We believe that the rise in the number of recorded disputes is attributable to increasing access to and trust in the dispute resolution process; however, the Ministry will continue to monitor and analyse this figure, should it represent a negative trend. In 2014, the Ministry successfully resolved 78.8% of all submitted disputes, significantly relieving the burden on the UAE's labour courts.

In instances where the Ministry is unable to resolve a dispute between an employer and a worker, both parties have recourse to the three levels of UAE courts – First Instance, Appeal and Cassation.

In 2015, the average labour dispute trial in a UAE court was 27 days. However, over 2015, the Ministry trialled, in Abu Dhabi and Dubai, a new initiative, appointing a settlement judge to fast track cases. Under this initiative, the average time for a settlement judge to settle a dispute and award compensation was five days.

The Ministry has the power to blacklist any company that fails to comply with an order of the court as it relates to the resolution of labour disputes, preventing that business from making new hires.

Between 2011 and 2014, 183 companies in Dubai alone were blacklisted by the Ministry for failing to comply with court orders related to labour disputes.



Promoting International Partnerships

The UAE is committed to upholding international norms on labour, maintaining partnerships with international organisations, and working closely with the governments of labour sending countries to ensure that their citizens are protected while in the UAE.





Recent Participation in the Abu Dhabi Dialogue

The third round of the Abu Dhabi Dialogue – a regional consultative process for grouping Asian countries of origin and countries of destination – was held in November 2014, in Kuwait. Member nations, including the UAE, agreed to launch a series of initiatives, including:

- **Recruitment industry study**

It was agreed a comprehensive study, funded by the UAE and backed by academic institutions, would be conducted on the experience of contract workers from India and Nepal that had travelled to work in the UAE. It was hoped that the study would provide a clear picture of the challenges facing contract workers from these countries and shed light on the illegal practices of unscrupulous recruitment companies that demand large fees from potential workers before securing work for them, effectively placing workers in debt that could take years to clear.

Pilot Corridor Scheme

The UAE has initiated a pilot corridor scheme to be implemented between the UAE and countries of labour sending origin to facilitate the flow of contract labourers according to the highest international standards. The scheme is intended to simplify recruitment laws, see the adoption of standard contracts, ensure better monitoring of recruitment

agencies, simplify visa procedures, reduce expenses for labourers and employers and promote direct hiring by employers.

International Labour Organisation Technical Assistance

The Ministry of Human Resources and Emiratisation continues to work closely with the ILO to ensure international best practice is implemented in the UAE to protect workers, and to ensure that they can learn new skills that are of long-term benefit to his or her country of origin.

Participation in the Global Forum on Migration and Development (GFMD)

The Ministry has, since 2011, been a member of the Global Forum on Migration and Development's steering committee, and has co-chaired ad hoc working groups and roundtable sessions, commissioning several studies to guide discussions.

Bi-lateral Relations with Labour Sending Countries

A list of countries with which the UAE has bilateral relations pertaining to the welfare of workers is available from the Ministry of Human Resources and Emiratisation.



Raising Awareness of Worker Welfare

The Ministry of Human Resources and Emiratisation recognises that a vital step in ensuring worker welfare is making sure workers are aware of their labour rights.

The Ministry ensures that workers throughout the country have easy access to government representatives at conveniently located Labour offices. Workers are encouraged to visit a Labour office at any time to report concerns or to ask for guidance on any issue.

There are five Labour offices in the UAE: two in Abu Dhabi, two in Dubai and one in Sharjah. In 2015, these offices received 2,071 enquiries from workers about their rights and about employment contract provisions.

Additionally, Ministry representatives carry out frequent site visits to promote awareness of worker rights. In 2014, 8,300 site visits were made.

In the summer of 2015, the Ministry's Guidance department made 8,092 site outreach visits to stress to workers and employers the importance of the midday break for worker welfare. The meetings were also a useful occasion at which to listen to worker concerns regarding heat exhaustion and employment conditions.

In collaboration with its various partners, the Ministry carried out seven awareness campaigns in 2015. The campaigns included:

- Printing out and distributing 20,000 awareness-raising posters about the dangers of midday work
- Translating the ministerial decree prohibiting midday work into ten languages and publishing the decree on the Ministry's website
- Translating Administrative Decree 60 detailing midday working hours law into three languages



Conclusions

The core goal of the Ministry of Human Resources and Emiratisation is to oversee an equitable, free and flexible labour market in the UAE. Ensuring that workers enjoy high standards of welfare is therefore a top priority for the Ministry.

Achieving these standards does not require heavy-handed regulations, which would reduce the opportunities available to workers. Aligning innovative policy making with business incentivisation can do a great deal to ensure worker protection, while delivering consistent economic growth.

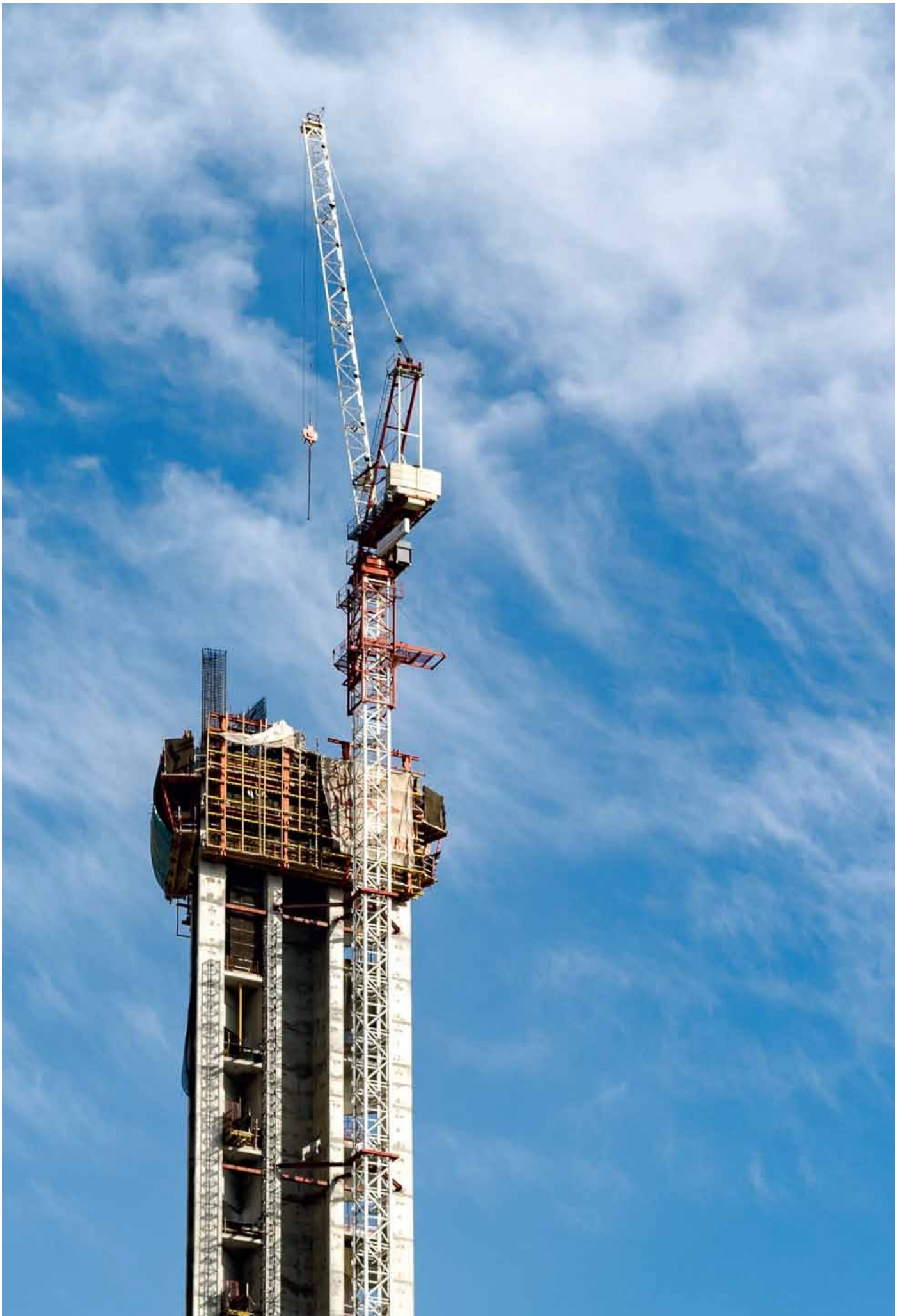
However, when disputes arise, the Ministry endeavours to ensure that

workers have access to resolution mechanisms and legal respite. Over the course of 2015, as this report has laid out, numerous reforms and reviews have been undertaken, and that work will continue throughout 2016 and into the future.

The United Arab Emirates is a young country, and as a Ministry we are committed to learning from partner nations and international organisations. This report is a first step towards greater transparency on the issue of worker welfare; over the course of the coming year, we will be implementing further changes to enable more in-depth engagement across the world.











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