

Sponsorship System and its Effects on Expatriate Workers in the Gulf Cooperation Council (GCC) Countries*

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I. Introduction

One of the most recent and publicized problems facing expatriate workers in the Gulf Cooperation Council (GCC) countries today is the sponsorship system. This has been strongly exposed by both international and GCC countries human rights organizations as being oppressive and slave like. This in turn has led labor officials in some GCC countries to also call for the abolition of the sponsorship system.

The International Labor Organization (ILO) had even set a June 2008 deadline for the six member countries of the GCC to abolish the system.¹ Even the US State Department has time and again put most (4) of said countries in the Tier 3 trafficking list while Bahrain is in the Tier 2 watch list and the United Arab Emirates in the Tier 2.²

What is lacking though is the perspective from the migrant workers themselves and their advocates. This paper would attempt to fill in that void by presenting how they perceive this problem, how it affects them and how they have resisted this kind of system. It then provides them a say on what their demands are in resolving this perennial problem in the Gulf States.

II. Description and Definition of Sponsorship System

The sponsorship system serves as the legal basis for temporary residency and employment in Gulf States. Expatriates cannot enter, work, change jobs or leave the country until they have permission from their sponsor, usually a GCC citizen, company or ministry.

The system requires that the expatriate can work only for the sponsor and is entirely dependent on the contract in order to remain in the country.³

It is also a common practice for the sponsors to take possession of their foreign workers passport. As earlier stated the latter cannot leave the country without the prior consent of the sponsor. This consent is written on a paper called "release paper". However in Saudi Arabia, the release paper signed by the sponsor is subject for verification by the Immigration Department and can only be used depending on its validity period which is usually three days. Without an authenticated release paper, foreign migrant workers cannot leave the country or change sponsor. Hence, they become stranded workers.⁴

Other than this, the sponsors have a wider leeway in imposing changes in the labor conditions of their workers through contract substitution.

¹ NGOs Urge Gulf States To Scrap Sponsorship System AHN Media Corp. 7/18/08

² Trafficking in Persons Report, US State Department, 6/04/08

³ Minister insists Bahrain will abolish sponsorship system, Gulf News, 4/30/08

⁴ The Stranded Filipino Migrants In Saudi Arabia, APMMF undated paper

III. Effects of the Sponsorship System on Expatriate Workers

a. Stranded Workers

Stranded migrant workers are those terminated and abandoned by their employers and without proper working and travel documents. Most of them have grievances lodged at the Courts and Embassies against their employers or sponsors for contract violations such as non-payment of wages, long hours of work, poor working and living conditions, sexual and physical abuses. Others became stranded after they were forsaken by their sponsors. And many more are those who do not want to let go of their workers, a number of whom are even provided unlimited employment contract.

One of the most classic examples of a stranded worker is that of 65-year-old Leonora Somera who was separated from her family for 20 years. She first worked as a domestic worker for a Saudi family in Riyadh in 1987. A year after her original sponsor died and the latter's son took her with him and his family to Jeddah. Initially she did house work and taking care of her employer's goats until this was her prime job up to 2005.

She was not paid regularly for her SR500 (US\$134) monthly wage and her repeated requests to be repatriated was disregarded. She was able to escape from her employer when a compatriot advised her in November 2005 but was only repatriated back to the Philippines in March 2008.

b. Domestic Workers

Domestic workers in the Gulf are not included in the labor laws of its member countries. Most of them have no or limited days off and essentially are living like prisoners. They are also paid very little considering that they are working in oil rich countries where majority of the native population work in the public sector and are given financial assistance by their governments.

There are also lots of abuses heaped on domestic workers. These include verbal, physical and sexual abuse; overworking; lack of sleep; accusations of theft; and delay in salaries.

Even if such domestic workers are abused like in Kuwait, they would be charged a huge sum of fee if they would want to transfer to other employers. These range from 200 - 500KD (US\$754 - 1884) in said country.

If they run away and seek assistance from their embassies, a number of them are charged with absconding and/or even theft. They are subsequently jailed and deported after a maximum of serving 7 months in jail.

c. Other work categories

Those who work with establishments have problems that include contract substitution and non-compliance of provisions in the contract. There are so many cases pertaining to this in all GCC countries some of which had earlier been discussed in the stranded workers category.

IV. Other issues related to sponsorship system

a. Visitors visa in relation to sponsorship system

Most Filipinos go to the UAE with as tourists with visitors' visa and later try to find their luck by looking for work directly in this Gulf Country. They say this is the easiest way to go and find work in the UAE.

According to the Philippine Consulate in Dubai, 500 to 700 Filipinos arrive in the UAE everyday. Unfortunately only around 20% find work and a permanent place to stay.⁵

UAE's Ministry of Labor (MOL) has recently banned the hiring of foreign workers with visit visas by introducing the temporary work permits. Said permits are good for three months and can be renewed once. According to the MOL such permits can protect the migrant workers as they can file complaints against their employers with the said Ministry.

The MOL, however, admitted that most employers still hire migrant workers with visit visas. This is cheaper for the employers as they would need to provide their employees with accommodation and health insurance if they hire workers who have temporary work permits. The MOL admitted that in the first quarter of 2008, only 6,000 were issued such permits.

And there is also a problem with the Philippine Consulate's attitude to those who enter on visit visas. According to its labor attaché, Virginia Calvez they are supposedly not protected by the laws of both the UAE and the Philippines since those who came in with visit visas are not allowed to work by the host government.

This was belied, however, by UAE's Ministry of Labor which took up the case of ten complaining hotel workers recruited by an agency called Princess House Party Organizer. The Ministry gave the workers three options: 1). Go back to work; 2). Go home and face an entry ban and; 3). Pursue their case in court.

In Kuwait one of the problems confronting expatriate workers is the refusal of the employers to convert visit visas into working visas. Thus the workers have to exit to either Bahrain or Dubai once their visas expire then go back to Kuwait with the same kind of visa. This was the case of the expatriate workers in Kharafi National which staged a strike because of this and other issues.

b. Made to work with other sponsors

The Social Work Society of Kuwait made a survey and found out that 20.2% of establishments have their workers being sponsored by others. The reasons given by these companies include the following:

- Need of additional labor
- Non-approval of Ministry of Social Affairs and Labor on the numbers required
- Seeking transfer of sponsorship
- Compensating for escaping labor
- Expanding in work⁶

It is alleged that some sponsors sell such visas to other companies for material gain.

⁵ Visit Visa Fact Finding Committee Report, 2006

⁶ Study Resume of the Conditions of Expatriate Labor in Domestic Sector, Kuwait Social Work Society

c. High cost of so-called free visa

Free visas are residence/working visas that are bought from so-called visa traders for a huge sum and the person who bought this does not need to work to his/her sponsor. The price of these has increased this year because the Ministry of Social Affairs and Labour has become stricter in the issuance of work permits and had closed down a number of companies undergoing visa trading.

This now costs as high as KD2,200 (US\$8,325) for Arabs and KD1,200 (US\$1,541) for Asians on a two year work permit. This used to be from KD1,500 – 1,800 and KD800 respectively a few years ago. Renewing the visa for another two years now costs KD600 (US\$2,270).

For domestic workers, visa traders charge between KD 600 to KD 700 for a visa and between KD 250 to 300 for an annual renewal.

This does not assure though that one can find a job when he or she arrives in Kuwait and involves companies hiring skilled labor.⁷ This is also true in the United Arab Emirates where a free visa costs between 7- 9000 Dirhams or US\$1906 – 2450. This is good for three years. But there are some unscrupulous sponsors who suddenly cancel the visa and the migrant worker becomes undocumented or worse they are charged for absconding, although these cases are rarer now than before.

IV Resistance and opposition to the sponsorship system

a. Kingdom of Saudi Arabia

Filipino migrant workers in the Kingdom of Saudi Arabia (KSA) have a long history in waging campaigns for the immediate repatriation of stranded workers. The first came in 1997 when up to 2000 from Riyadh were successfully sent home because of said campaign.

This campaign was coordinated in Saudi Arabia, Hong Kong and in the Philippines. A migrant organization named the System of Unity for Social Integrity or SUSI-MIGRANTE was able to organize the stranded workers with the formation of the Migrant Workers Stranded in Riyadh or MWSR.⁸

In Manila, Migrante International was able to mobilize a number of the MWSR's members' families and formed their organization based in Manila. They conducted several protest actions in different government agencies including the Department of Foreign Affairs (DFA).

The second was this year in Jeddah when an expose on stranded workers was made in January camping out under Al Khandara Bridge. These were composed of migrant workers of different nationalities including around 50 Filipinos that month. The Filipinos later swelled to 111 including women and children.

⁷ Asians hired, stranded on visit visas, Arab Times, August 4, 2008

⁸ MWSR -- Launched its Second General Assembly APMM News Digest January – March 1999

At the moment there are still some migrant workers who camp out under the Bridge. But because of the extreme summer heat their numbers pale in comparison than during the winter season. It is believed though that many remain in hiding.

b. United Arab Emirates

This includes what was earlier mentioned about the hotel workers who passed through Princess House Party Organizer agency.

However, protest actions by migrant workers against contract substitution and unfair provisions in the contract would not be tolerated by the UAE's Ministry of Labor. The UAE authorities have been alarmed by recent labor actions by migrant workers and have stated that they will only recognize three legal reasons for protest. These are for unpaid wages, poor living conditions and lack of safety procedures.

Other than these three, the Ministry of Labor stated migrant workers would be violating the law and would jeopardize their stay in the country if they protested against other issues. This includes staging a strike for a pay rise even if the cost of living in the UAE has gone up and the remittance value of the earnings of the migrants has gone down because of the weakening of the US dollar to which the UAE Dirham is pegged.

The justification for this according to the Ministry of Labor is that the workers had to respect the contract that they signed even if it is a common practice for said agreement to be substituted and violated.

c. Kuwait

Because of the many problems of the migrant workers in Kharafi National of all nationalities (Filipino, Thai, Indian and Egyptians), and the history of collective action there (300 Indians were already in strike during that time) the Filipino workers' struggled for the company to honor the original contract of the workers. Other issues they raised included their having a visitors' instead of working visas; conditions of their board and lodging; low wages; and the payment of their airfare to the Philippines to those who would want to finish their contracts.⁹

There is a 25,000 multinational work force in Kharafi of whom ten percent belong to the management division.¹⁰

- d. Even the labor ministers of Bahrain and Kuwait have publicly called for the possible scrapping of the sponsorship system. Bahrain's Majeed Al Alawi insisted that the system would be abolished by the end of 2008 and that this is supported by the country's Crown Prince.¹¹ The head of Kuwait's Ministry of Social Affairs and Labor expressed that it may also do this by June 2009.¹²

⁹ Report of Migrant Kuwait to APMM via email, 1st half of 2007

¹⁰ <http://www.kharafinational.com/kn/company/aboutus.html>

¹¹ Minister insists Bahrain will abolish sponsorship system, <http://archive.gulfnews.com/articles/08/04/30/10209579.html>

¹² Kuwait may abolish sponsor system in 15 months, Kuwait Times, March 12, 2008

V. Demands

- a. Implement a standard employment contract for expatriate workers in all GCC countries that would disallow the practice of contract substitution and penalize employers who do not follow the provisions of said contracts.
- b. Abolish the sponsor system to limit the imbalanced power of the employer over their workers which includes confiscation of the latter's passport by the former. The work permit should be the responsibility of the Labor Department while visa matters should be the main responsibility of the Immigration Department and not solely on the sponsor's. It is up to said departments to give the worker the right to freely transfer to other employers or take their annual leaves and not the sole prerogative of the sponsor.

*GCC Countries: UAE, KSA, Kuwait, Qatar, Bahrain and Oman