Abstract

Labour abuse seems to have become the ‘normal’ practice in the implementation of Mega Sport Events (MSEs). Tight deadlines and a multitude of infrastructure projects to be completed risk worker welfare to the point that, in recent times, virtually all events have been accompanied by fatalities on site and severe human rights violations. Although good practices exist and are implemented by delivery authorities and civil society organisations, bidding regulations provided by sports organisations contain deadly oversights. A redesign of MSE bidding rules is paramount to breaking this cycle of abuse. There are several other key components to creating a fair game in MSEs: capacity building platforms to develop workers’ skills for long-term employability, ring-fenced payments from project owners to the workforce to avoid wage delays, multi-stakeholder monitoring systems to ensure health and safety standards during construction, accessible grievance channels to deal with labour issues in a prompt manner, a clearly defined system of liability and a commitment from bidders to abide to International Labour Organization (ILO) labour standards.

Introduction

Much is often said about the legacy offered by MSEs to host countries in terms of better infrastructure, renovated urban areas, jobs creation and social inclusion. However, past events have shown a pattern of labour exploitation that can hardly be reconciled with the idea of a positive legacy.

Statistics vouch for this: only the infrastructure constructed for the London Olympics was implemented with no worker fatalities. All other MSEs carry a high human cost embedded in their implementation. It is predicted – although criticised for exaggeration – that by the time the World Cup in Qatar kicks off, approximately 7,000 construction workers will have died as a consequence of labour abuse.

While the image of state-of-the-art stadia may be clear in the minds of sports fans worldwide, the lives and rights of those who have built such structures are often neglected by governments, construction companies, sponsors and international sports organisers. Nothing to resemble a ‘fair game’.

In this EAP Insights briefing we outline the main issues affecting construction workers in MSEs, report measures that have been introduced in an attempt to mitigate the problem and present recommendations that we believe are necessary to tackle the matter.
1 Issues affecting construction workers

Poor quality and unsustainable job generation

One of the main benefits of hosting MSEs is often said to be job generation. Increased opportunities are promoted by international sports organisers and governments, particularly in the infrastructure sector alongside others including tourism, hospitality and manufacturing. However, job generation in the construction sector has proven unsustainable and precarious.

In Brazil, civil construction workers employed at World Cup and Olympic sites earned less than expected. According to studies, only 17% of the total workforce employed during the preparation of these events received above Brazil’s minimum monthly wage. Even the ‘lucky’ ones barely made enough to survive as construction salaries ranged between US $377 and US $510 a month. The bulk of the workforce was composed of unskilled and semi-skilled workers who remained as such after the events.

In South Africa, 452,000 jobs were said to have been created for the World Cup. What the statistics do not clarify is that most of these jobs were informal and paid below the minimum wage. Jobs in the South Africa World Cup also perpetuated the discriminatory pattern of the local construction industry, employing unskilled workers on a short-term basis and without legal ties to the main contractor. After the event, around 110,000 construction workers could not find another job, contributing to South Africa’s many cycles of ‘jobless growth’.

Delays in wage payment

Delaying wage payment is another common abusive practice found in MSEs. In Russia, a survey developed by Building and Wood Workers’ International (BWI) reported strikes over delayed wages in at least six World Cup stadia. In most cases the workers were migrants from the former Soviet Republics, Eastern and Southeast Europe and Asia, with wages retained for up to five months. Research also identified over US $8.3 million in unpaid wages owed to construction workers during the Winter Olympics in Sochi. Wage abuses identified in Sochi in 2014 were repeated in the preparation of the 2018 World Cup, showing that lessons have not been learnt by delivery authorities or sports organisers.

In China, where the problem of late payment has been a major cause of labour disputes since the 1990s, the same pattern of abuse was replicated in the construction sites of the Beijing Olympic Games. Instead of raising the bar to protect construction workers and to push for long-term change, Beijing 2008 perpetuated the country’s exploitative tradition of unpaid wages and labour abuse.

For construction workers, time is of the essence in the process of getting paid as they may not have reserves to support themselves if wages are retained for long. Delays in receiving payment have broader consequences when workers are migrants and forced to pay recruitment fees. Although a banned practice under the ILO Convention 181, it is not uncommon to find private employment agencies using recruitment costs as a way to extort workers for jobs. Research in Qatar shows how often the practice occurs regardless of being formally prohibited by the Qatari Labour Law. Without payment of wages on time, the risk of migrant workers falling into situations of indefinite debt bondage and forced labour increases severely.
The human cost of MSEs

In Athens for the 2004 Olympic Games, about 60% of the construction workers were migrants, for the London Olympics 2012 about 30% and in Qatar for the World Cup 2022, at least 90% of the workforce were or are migrants.

BWI Labour is Part of the Team Manual, (page 18)

Health and safety concerns are also critical. Unsafe working conditions are commonly reported in the construction of MSEs infrastructure alongside other human rights violations which put worker welfare at risk (see infographic).
The limited timeframe to deliver these events intensifies labour exploitation without appropriate safeguards or compensation.

Instead of pushing for higher standards, sports organisers tend to intensify the problem. During an inspection of the Moses Mabhida Stadium in Durban, former FIFA President Sepp Blatter asked construction workers ‘not to wreck 2010’ in reference to workers’ participation in campaigns for decent work. FIFA eventually issued a statement showing solidarity with the campaign, but the message of productivity over safety was already made clear. In 2012 FIFA General Secretary Jérôme Valcke said that Brazil needed ‘a kick in the butt’ to stick to project schedules. A public apology came afterwards, but again only after pressure had been put on workers.

With the outbreak of the Covid-19 pandemic, concerns exist that workers cannot access protective gear or health support. Cramped, unsanitary accommodation for workers in Qatar – which were well known before the pandemic – provide perfect conditions for the spread of the virus. To make matters worse, the kafala sponsorship system creates a ‘document fear’ that only healthy migrant workers will keep their visas and jobs, creating perverse incentives for them to hide symptoms.

Despite increased fatalities, a well thought-out system to monitor the construction of sports-specific projects, sponsored by sports organisations, is still lacking. The only tools available are ad hoc mechanisms set up by civil society organisations (see section 2.3). When delivery deadlines are involved, health and safety of workers become peripheral.

The lack of an appropriate grievance mechanism

Even with many issues at stake, construction workers still lack a quick and accessible grievance mechanism.

Migrant workers may choose to avoid discussing any illnesses they may be experiencing and refrain from relaying critical information about their health in a timely manner to their employers or relevant health authorities due to perceived social stigmas associated with their disease. They might also refrain from addressing their health issues out of fear of reprisal and salary or job loss, particularly given their tenuous status vis-à-vis their employers.

Interviewee involved in the 2010 World Cup works, (page 5)
The London Olympics Committee made the first step to develop a forum to deal with poor behaviour, including related to labour practices, committed by national and international sponsors, suppliers, licensees and contractors. The Committee implemented a Complaint and Dispute Resolution Mechanism to solve cases of non-compliance with the Olympic Sustainable Sourcing Code.

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which specifies standards of health and safety, diversity and inclusion, product certification, environmental management and materials selection. Positive results have been reported in relation to manufacturing disputes, with a total of 74 remedial actions taken in favour of workers. Data on construction disputes, however, was unclear and hard to find.

Inspired by the London experience, the Japanese Olympic Committee developed a similar grievance mechanism which authorises claims where the Tokyo Sustainable Sourcing Code has been breached, including suppliers’ non-compliance with the ILO Core Labor Standards. Despite good intentions, BWI indicates that workers employed on Japanese Olympic sites were not aware of the existence of such a grievance mechanism and how to use it. Workers on Tokyo sites worked under inhumane labour conditions. In the Olympic Village, for example, workers reported working 28 days in a row in one month due to tight deadlines.

Summary of Issues:
A legacy of inequality?

The issues faced by construction workers put into question the legacy of MSEs. Some quick facts summarise what is at stake:

- Between 2005 and 2009 the top five construction firms in South Africa saw their profits grow exponentially after having accumulated losses up to 2004. In the same period, their Chief Executive Officers (CEOs) had a 200% salary increase. On the other hand, the wage gap between construction workers and CEOs in South Africa increased by 70% between 2004 and 2009. (See Graph)

Source: Quoted from Lessons from South Africa’s FIFA World Cup Brazil and its Legacy for Labour

- The commercial revenue of FIFA with the World Cup in Brazil exceeded US $ 4.8 billion. The event in Russia secured even higher profits, with FIFA reaching its highest revenue in history.

- Workers on the Khalifa Stadium project, built to host the World Cup in Qatar, earned US $ 1.50 an hour for 13 hour shifts, six days a week, under Qatar’s intense heat. Union representation is limited in Qatari construction sites.

Suicide note left by a 23-year-old who clocked 190 hours of overtime on the Tokyo New National Stadium in the month prior to his death

In Qatar, recent reforms led to the establishment of a fast-track system to handle workers’ complaints. This includes a Wage Protection System (WPS) which obliges employers to pay wages directly into the bank account of employees in order to provide an official record of payments, as well as a Dispute Settlement Committee (DSC) to expedite the resolution of labour disputes. Unfortunately, the system still fails to deliver justice on time.

Workers are seeking ‘Quick Justice’ but instead they are confronted with a long bureaucratic journey

BWI 2019 Report on Qatar
It is hard to see how any form of trickle-down wealth generated by MSEs ultimately benefits the construction workforce.

This year concludes the 2015-2018 cycle and will be remembered as an excellent year in many aspects. The FIFA World Cup™ in Russia achieved huge sporting and financial success, generating the highest revenue in FIFA’s history and being the most profitable edition to date

FIFA Financial Report 2018


2 How the issues have been dealt with so far

MSE stakeholders have adopted different measures to address these issues.

Local Committees

During the London Games, the Commission for a Sustainable London was created to ensure human rights were respected. One of the methods adopted was to build partnerships with non-profits to improve workers’ skills and to support their transition to sustainable employment after the games.
Positive results were reported, which included the creation of an apprenticeship programme to prepare the next generation of skilled and qualified workers; regional hubs that gave on-site training to workers on specific vocations (scaffolding, paving, roofing, dry lining etc); and the ‘Women Into Construction’ project that helped the female workforce gain construction accreditation and training. Women in Construction remained active after the games and in 2018 74% of its beneficiaries said that the programme boosted their employability and raised their level of empowerment, independence and confidence.

London’s Olympic Delivery Authority (ODA) also tackled labour issues. The ODA identified the principles of accessible design, equality and inclusion; health, safety and security; jobs access and career opportunities as guiding priorities for the games. These principles were embedded in the procurement process applied to select the contractors.

Another facet of the London games was a system of assurance put in place by the ODA to oversee the implementation of bidding principles and to monitor the construction of infrastructure, which resulted in zero fatalities. Health and safety training and on-site union representation helped to achieve these safety results. The Commission for a Sustainable London considers that the accident frequency rate recorded in the games (0.16) was substantially below the reported industry average (1.0).

Sports organisations

International sports organisations are in the process of changing their attitudes towards human rights and labour abuses. FIFA and the Olympic Committee included new labour standards in their bids for the 2026 and the 2024 events. Other sports organisers are following the same path. In the bid for the EURO 2024 tournament, UEFA specified the need to protect, respect and fulfil universal human rights, including child rights and the rights of workers.
Whilst the requirements are welcome, they remain vague and the question remains as to how they will be translated into enforceable commitments in country bids. It is in the interest of sports organisations to lead by example and take some responsibility for monitoring the implementation of commitments set out in their own documents and principles. Without a firm buy-in from sports organisations, governments and contractors may feel less inclined to commit.

Civil Society

Civil society has been directly involved in monitoring construction sites. BWI is an example: since the World Cup in South Africa the organisation has developed campaigns to monitor stadium implementation. In Russia, BWI carried out a total of 35 inspections between 2016 and 2018 resulting in a public report pointing out several labour violations. The report set recommendations to be addressed by FIFA, which included a commitment to drawing up a list of specifications concerning wage policies, employment contracts, occupational health and safety standards.

Human rights organisations have also flagged violations in construction sites related to MSEs. Human Rights Watch published a ‘Red Card’ report on the exploitation of construction workers in World Cup sites in Russia. The World Cup and Olympics Popular Committee of Rio de Janeiro reported abuses in the implementation of Rio 2016. With the 2022 World Cup on the horizon, Amnesty International and other organisations are currently publicising the violations and breaches found in Qatari construction sites. However, moving from written reports to effective improvements in labour conditions remains a challenge.

Multi-stakeholder initiatives

Since Paris won the 2024 Olympics, the Open Contracting Partnership (OCP) has actively engaged with the Paris Olympic Games Committee to foster transparency in public contracts, encouraging the adoption of open data standards including for infrastructure projects. One of the data standards recommended by OCP was the Open Contracting for Infrastructure Data Standard (OC4IDS), developed in collaboration with CoST – The Infrastructure Transparency Initiative (CoST), a multi-stakeholder initiative (MSI), with a view of facilitating access to infrastructure information and improving public scrutiny over the implementation of projects.

The Sports Integrity Global Alliance (SIGA) is another MSI improving governance and integrity in sport, advocating transparency, accountability and meaningful stakeholder representation across the sporting community.

Despite the support from multi-stakeholder initiatives and public commitments made by governments in favour of transparency, securing concrete steps from host countries to adopt open standards in MSEs has proven difficult.
Where to start?

Where is the starting point for tackling the exploitation of construction workers in order to make protections more effective in the context of MSEs? And how do we deal with the complex governance of MSEs, where the lines of liability are blurred among multiple actors involved in design and implementation, and further complicated by the different nationalities, legal jurisdictions and laws at stake? An attempt to answer these questions faces at least two challenges.

A domestic challenge

At the national level, one challenge faced by construction workers is the many layers of subcontracting which are typical of the construction industry today. Long subcontracting chains, which include subcontractors supplying labour to companies which are not the end-users of it, create difficulties for workers in identifying who their employer is. Extending liability for labour obligations beyond the immediate employer would seem to be essential in securing an effective protection of labour rights throughout the entire subcontracting chain.

The presence of multiple companies and employers on construction sites also creates difficulties in developing an appropriate regulatory system for occupational health and safety. Our research has shown that in many jurisdictions ‘tier one’ contractors (in some cases clients or owners of the project) are responsible for ensuring the health and safety of workers on their sites and are liable for accidents or ill health suffered by workers.

In cases where workers are employed by subcontractors, liability should be shared among contractors of the chain in order to allow effective protection to workers, including in relation to the payment of wages. The benefit of a joint liability system is that it creates an alternative source of payment if workers are not paid by the immediate employer. Joint liability also encourages contractors and project owners to take greater responsibility for subcontractor’s actions and to employ better due diligence checks in order to prevent their own liability.

Joint liability of principal contractor and subcontractors, combined with appropriate monitoring and inspection measures, are minimum requirements for an effective occupational health and safety regulation. Although shared responsibility for wage payment is a principle recognised in many jurisdictions, concretely assigning liability beyond the immediate employer remains controversial in practice.
A transnational challenge

At the international level, workers face the risk of unenforceable international labour obligations due to the vague provisions put forward by sports organisations. A decision granted by a Swiss court in 2017 illustrates this. BWI and other trade associations filed a lawsuit seeking to hold FIFA accountable for Qatar’s failure to respect human rights. One of the claims was for FIFA to ensure the Qatari authorities introduce the necessary changes to protect international labour rights. Regardless of the merits of the case, the court rejected the claim on the grounds of lack of jurisdiction. For the court, legal obligations need to be enforceable and sufficiently specified to be accepted and FIFA’s obligations did not qualify as such.

The risk identified in the decision is that international labour obligations – such as FIFA’s obligation to preserve “all internationally recognised human rights and strive to promote the protection of these rights” as recognised in the current Statute – may become only symbolic with no real effect or ‘bite’ unless specified in more detail.

A dynamic noted at the national level also seems to occur internationally. If long subcontracting chains help to limit the responsibility of the final client domestically, at the international level stakeholders at the top – in this case the international sports organisations who benefit from a constant flow of revenue from MSEs – seem shielded from liability by the vague nature of their obligations.

If extending liability at the domestic level is a challenge, doing so at the international level is further complicated by the reasons relating to the Swiss decision (a lack of enforceability and clarity in the sports organisation’s obligations). The solution advocated by some is a system of shared responsibility under international law where all stakeholders (contractors, government entities, sponsors and international sports organisers) are considered jointly liable for any damage caused during the implementation of MSEs. An international system is considered best placed to protect human rights obligations that emerge from different sources, and which are attached to stakeholders at both national (including government entities and construction firms) and international levels (sports organisers).

Since workers still lack an appropriate grievance mechanism to provide individual and collective relief, it is unlikely that an international system of shared liability will alleviate the risk of unenforceability. The gaps in dealing with human rights issues in the context of MSEs prompted civil society organisations to propose the development of a grievance mechanism specific to MSEs, but with no success. Combining a grievance mechanism with an international system of shared responsibility, where liabilities are spelled out in detail, seems to be key to ensuring international labour obligations do not fall down the cracks of legal unenforceability.

4 Recommendations

Based on issues faced by construction workers, a set of recommendations are presented below. They are addressed mostly to international sports organisers and local committees as we understand they have the means to drive rapid change.

To tackle the problem of unsustainable jobs:

A capacity-building body

The London Olympics showed positive results from non-profit partnerships dedicated to supporting the transition to sustainable work. The experience can be
replicated in other MSEs, with the development of a not-for-profit body designed to coordinate training and capacity building so that workers can increase their chances of skilled employability after the events.

Our recommendation is that the capacity building body provides both hard and soft long-term transferrable skills, with a focus on reducing the gender bias in construction and developing the skills needed to build green and resilient infrastructure. Studies already exist on the expertise needed for ‘new’ forms of construction (such as complex low-energy construction), which could inform the technical curriculum of these bodies. To ensure enforceability, the overall design of the capacity-building body should be incorporated in the bidding documentation.

To tackle the problem of wage payment:
A construction workers’ payment fund

Our research provides evidence of the positive effects of a system of extended liability that can go beyond the immediate employer. A way of reaching similar results without having to change liability laws in host countries is the creation of a workers’ fund. The strategy has been adopted in Qatar with the establishment of a Workers’ Support and Insurance Fund, developed in connection with the DSC and the WPS. The fund is not yet operational and still requires further regulation, but it is designed to work as a financial cushion for workers, releasing payment after a claim is recognised by the DSC.

The Qatari system offers good insights to inform the design of a construction workers’ fund applicable to MSEs. To be effective, the fund should be supported by all contractors in the subcontracting chain to the amount necessary to cover labour costs in full. This is not unprecedented: China’s 2006 wage regulation required employers with a record of wage default to deposit payments in a special wage-account prior to construction, with permits denied if there were insufficient funds to cover wages in advance.

To ensure workers do not have to wait a long time for a third-party decision on reimbursement, which is criticism made of the Qatari system, the fund can take the form of an escrow account which is created for each specific project. In this structure, the custodian agent (normally a financial institution) is authorised to release payment directly to the personal account of a named beneficiary (in this case a worker), on a previously agreed date or event (every fifth working day of the month for example). The concept is similar to project bank accounts which are used in construction to ring-fence payments from the client through the supply chain. The idea is to extend the same rationale to benefit the workforce.

We recommend that the worker’s fund and its governance rules authorise the custodian agent to pay workers regardless of any physical delays that may occur in the project. The system should also be designed as a mandatory provision in the bidding regulation documents.

To tackle the issue of health and safety:
A system to monitor construction sites

The system of assurance developed for the London Delivery Authority seems to have been essential to the high safety standards and low death-rate at London’s Olympic sites. The experience of BWI also shows the importance of civil society monitoring initiatives to identify labour abuses and to control health and safety conditions, particularly in places where public enforcement of labour obligations is challenging.
This experience can help inform the creation of a system of site monitoring to be run by an independent third-party with technical expertise in health and safety inspection. To make enforcement more effective, the creation of this system should be embedded in bidding documentation and established as a legally binding commitment for stakeholders involved in project implementation.

While not replacing pre-existing health and safety systems in the host country (for example inspections carried out by labour agencies or tools introduced by delivery authorities), the creation of a sports-specific site monitoring system can strengthen control mechanisms and secure compliance with labour standards.

Informed by the experience of CoST, a multi-stakeholder working group could be established in order to allow representatives from civil society, sports organisations, the host government, construction companies and trade unions to oversee the activities carried out. To ensure public accountability, the results and findings of the monitoring system should be publicly disclosed.

To ensure that international labour obligations are met:
A grievance mechanism and a clearly defined system of liability applied to MSEs

As mentioned before, the Complaint and Grievance Mechanism established by the London Committee was the first attempt by an organising committee to deal with breaches in the Olympic Sustainable Sourcing Code labour standards. The experience has been replicated in Tokyo, although access to justice and effective implementation of labour rights remain problematic.

Credit: Noushad Thekkayil / Shutterstock.com
This experience supports the development of a sportstailored grievance system capable of addressing individual and collective human rights violations, with an independent third party to mediate and settle issues. A mechanism established to deal with disputes arising out of these events, including labour matters, will create a facilitated route to access justice, avoiding the intricacies of domestic and international courts.

To ensure that international labour standards are respected, the grievance mechanism should be combined with a clear set of specified commitments and obligations to bind stakeholders at the national (government bodies and construction firms) and international levels (sports organisers). The Tokyo Sourcing Code contains provisions for suppliers to comply with international human rights and labour standards, with express reference to freedom of association, the ban of forced labour and long working hours, the right to a safety workplace, minimum wages and a proper management of the migrant workforce. These provisions can offer guidance on the development of a detailed set of commitments to bind stakeholders related to MSEs, including sports organisations as gatekeepers, so that a system of joint liability for labour rights can be established.

The design of the grievance mechanism should be an integral part of the bidding documentation in order to raise publicity around it from the outset. Similarly, the obligations and liabilities attributed to bidding companies, host countries and sports organisers should also be highlighted. This will ensure stakeholders have a clear understanding of the scope, extent and consequences of their commitments and understand legal conditions can be created to allow enforcement of obligations.

To reduce inequalities:

A commitment to ILO labour standards

Improving labour standards in MSEs is a step towards ensuring the fair treatment of workers everywhere, regardless of their nationality or the laws of the host country. A first step in that direction is for bidding companies to commit to ILO labour standards, most notably the core standard, which includes the right to organise. Meanwhile host countries should commit to reviewing wage levels and consider the introduction of legally enforceable minimum wages. Sports organisers should work to become the gatekeepers...
of these commitments. To guarantee effectivity and compliance, we recommend that these commitments are treated as conditions precedent to hosting and developing the events.

5 Conclusion

It is time that construction workers’ labour rights are properly and effectively secured in the context of MSEs and that abuses and violations are no longer a legacy of these events.

The recommendations outlined above are addressed mostly to international sports organisers and local committees as we understand they are better positioned to drive the rapid change that is needed. Monitoring by civil society organisations remains essential to keep these stakeholders in check.

In our view, the recommendations set above can achieve two forms of impact that are necessary to change the way MSEs are currently designed and implemented. In the short term, our recommendations can help ensure that construction workers involved in MSEs are paid fairly, on time and in full; that a healthy and safe working environment is assured to construction workers worldwide; that workers can develop the necessary skills for long-term employability; and that there are appropriate venues to hear and deal with their grievances.

In the long term, these recommendations can trigger a transformative process as innovations from the preparation stage of MSEs are retained after the events and extended beyond the limits of the infrastructure created for MSEs. These innovations open the opportunity for host countries to experiment with alternative arrangements that can gain momentum and create positive change, particularly where there is increased social accountability. We believe that these two sets of impacts can deliver long-lasting change and fulfil the goal of “advancing social development” so often propagated by advocates of MSEs.

FURTHER READING:


Eldred, Andrew, Employment Relations on a Major Construction Project., available at www.learninglegacy.crossrail.co.uk/documents/employment-relations-on-a-major-construction-project/


