

This Case Study illustrates a company's practical application of *Building Responsibly Principle 3: Recruitment Practices Are Ethical, Legal, Voluntary, and Free from Discrimination*. It provides non-exhaustive information on the challenges faced by the company, and practical examples of the strategy and solutions put in place to address the issues in a specific context.

Background

VINCI entered the Qatari market in 2007, through QDVC (in which it holds a 49% stake), and was awarded its first major infrastructure project in 2008. The significant size of the project and limited local workforce available led the company to recruit migrant workers.

In Qatar, the recruitment of migrant workers is regulated by specific laws and regulations, as well as a series of complex Bilateral Labour Agreements (BLA) which often require the use of recruitment intermediaries in countries of origin. The BLAs consist of a quota system which determines the number of workers per nationality that can be recruited, resulting in the allocation of visas in "blocks" to companies. In compliance with this system, VINCI/QDVC implemented a series of recruitment procedures and relied on recruitment agencies based in workers' countries of origin.

After a few years of activity, the company was confronted with allegations of human rights violations in its operations including debt-induced forced labor.

Challenge

To secure jobs, migrant workers rely on recruitment agencies operating in their home countries. These agencies are in charge of identifying, testing and recruiting workers on behalf of companies. This process involves significant costs including agency fees as well as associated recruitment expenses such as advertising, medical tests, training, pre-departure orientations, skills tests, visas and airfares.

Although there is now a growing consensus that recruitment fees and related costs should be borne by the employer (more information [here](#)), it is still common for workers to pay fees to intermediaries to secure jobs. These fees help to fuel an unfair recruitment system and result in workers having to work for several months with *de facto* no pay until they reimburse the loans taken out to pay for their recruitment.

Approach

At the outset, VINCI/QDVC was one of the few companies that worked directly with recruitment agencies in the countries of origin rather than relying on a series of additional intermediaries in Qatar. QDVC recruitment policy was abiding by the "Employer Pays Principle" and every contract clearly mentioned that the costs of recruitment were covered by the company and that workers should not pay fees as part of the recruitment process. VINCI/QDVC conducted a survey among its workers to monitor the issue, which revealed that, despite these measures, a large proportion of workers had paid recruitment fees to agents or agencies. As a result, among others, a series of additional measures were taken to ensure a fair selection process and strengthen debt bondage prevention practices:

- » VINCI adopted clear [guidelines](#) on recruitment at the corporate level.
- » VINCI/QDVC engaged its South Asia-based recruitment agencies to better understand their costs and profit margin. It was found that the cost per worker recruited was approximately US\$440-US\$494 and VINCI/QDVC agreed to pay its most trusted partners US\$687 to deter unethical practices and cover the potential cost of workers' resignation and/or early repatriation, a cost which is often disregarded by companies or agencies working in the Gulf.
- » VINCI/QDVC increased its direct involvement at every step of the recruitment, including sending its own human resources and technical teams in the field to monitor its partners' compliance with its expectations, communicate directly with applicants about the absence of recruitment fees, and review and participate directly in recruitment interviews and trade tests.
- » VINCI/QDVC then interviewed all newly-recruited workers several times on the job to provide opportunities to disclose if they had paid fees and found that 91% had not.
- » In addition, workers recruited by VINCI/QDVC underwent detailed orientation sessions upon arrival. The sessions provided workers with relevant information about their rights under Qatar Labor Law, means to access justice and worker welfare facilities provided by the company. Workers were also given a Workers' Rights and Induction Handbook which provides key information for those arriving in Qatar and at VINCI/QDVC for the first time.
- » VINCI/QDVC developed grievance mechanisms (a specific hotline during recruitment, and through the election of a Workers' Welfare Committee) to collect and mitigate complaints.
- » More information about VINCI/QDVC's approach to recruitment in Qatar is available [here](#).

Principle 3 in Action: Recruitment practices are ethical, legal, voluntary, and free from discrimination

Workers shall be recruited through ethical and legal means whereby all recruitment shall be free from discrimination and all forms of involuntary labor, slavery, and trafficking. Companies should commit to responsible recruitment in their operations and prohibit the payment of fees by the worker. Conditions of employment shall be transparent and agreed upon in writing prior to commencing work in a language that is understood by the worker.



Trade Tests

Outcomes and Lessons Learned

Research conducted by New York University Stern Center for Business and Human Rights, in collaboration with VINCI/QDVC, highlighted that the cost of recruitment represented an average of 0.08% of project value while the cost of additional fair recruitment measures added an extra 0.02%. However, for smaller projects, the costs of fair recruitment would be proportionally higher than this figure but never represent more than 1% of the total project value. In addition, the research suggested that fair recruitment practices help companies demonstrate their commitment to worker welfare in general, lead to better productivity of workers, as well as improve worker retention and overall job satisfaction.

Despite the positive impacts of the recruitment drive made possible through the strong commitment of the company, guaranteeing a fair recruitment process remains challenging. Clients generally do not include specific provisions for recruitment fees and related costs in their engineering and construction contracts nor do they demand proof of payment of recruitment fees and related costs by companies. Such requirements would create an equal playing field for companies and would alleviate the competitive disadvantage to those who currently implement responsible recruitment practices. Overall, fair recruitment requires the coordinated actions and efforts of many actors including public authorities, clients, contractors, subcontractors and their manpower agencies, as well as recruitment agencies and other intermediaries in both countries of origin and destination.

To this end, VINCI/QDVC and the International Labour Organization (ILO) Project Office in Qatar signed a Public Private Partnership in May 2018, in collaboration with Qatar's Ministry of Administrative Development, Labour and Social Affairs to demonstrate that fair recruitment is possible and that good practices can be replicated. The partnership focuses on the implementation of a pilot project to foster fair recruitment practices among manpower agencies and suppliers of VINCI/QDVC and to create a recruitment-fee free corridor between Bangladesh and Qatar. More specifically, the partnership aims at understanding and improving the recruitment of migrant workers through independent audits of labour recruiters, tailored capacity-building programs and training. An impact assessment of the pilot conducted by Tufts University is under way to evaluate the impact of the pilot on workers and their migration experience, including the elimination of contract deception and the payment of recruitment fees and related costs, as well as the enhancement of pre and post-arrival awareness activities and skills matching systems.

VINCI also joined the Leadership Group for Responsible Recruitment convened by the Institute for Human Rights and Business (IHRB). Its work revolves around the implementation of the Employer Pays Principle and the eradication of debt bondage.



Information billboard during the recruitment process in Bangladesh and India

