

Submission to the Foreign Affairs, Defence and Trade Committee on:

**United Arab Emirates Comprehensive Economic Partnership
Agreement Legislation Amendment Bill**

Submitted by the New Zealand Council of Trade Unions Te Kauae Kaimahi

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This submission is made on behalf of the 31 unions affiliated to the New Zealand Council of Trade Unions Te Kauae Kaimahi (CTU). With over 340,000 union members, the CTU is one of the largest democratic organisations in New Zealand.

The CTU acknowledges Te Tiriti o Waitangi as the founding document of Aotearoa New Zealand and formally acknowledges this through Te Rūnanga o Ngā Kaimahi Māori o Aotearoa (Te Rūnanga), the Māori arm of Te Kauae Kaimahi (CTU), which represents approximately 60,000 Māori workers.

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1. Introduction

- 1.1. The New Zealand Council of Trade Unions Te Kauae Kaimahi (NZCTU) welcomes the opportunity to submit on the United Arab Emirates Comprehensive Economic Partnership Agreement Legislation Amendment Bill.
- 1.2. The NZCTU recognises the importance of trade to New Zealand economy and society. As a small trading nation, it is wise for New Zealand to diversify its trade relationships and improve access to markets for New Zealand goods and services.
- 1.3. Trade agreements can be a useful tool in strengthening New Zealand's economic performance, but they must be well designed. This means ensuring they deliver genuine opportunities for economic development in New Zealand, the creation of good jobs, and broadly rising living standards. It also means ensuring they do not undermine or fail to adequately protect workers' fundamental rights in New Zealand or partner countries.
- 1.4. Unfortunately, the agreement currently before the Foreign Affairs, Defence and Trade Committee does not meet these standards. Of particular concern for the NZCTU is the UAE's poor record of upholding international labour rights and standards. The agreement before the committee contains a weak and non-binding labour chapter that will do nothing to improve labour rights and standards in the UAE.
- 1.5. The NZCTU is therefore opposed to the ratification of this agreement. We do not think it acceptable to provide preferential trade access to a country where workers' rights are routinely and systematically abused. In addition, this agreement likely increases the risk that New Zealand will import goods made in whole or in part by forced labour, which we view to be inconsistent with our ILO commitments to address modern slavery.
- 1.6. The remainder of this submission outlines labour rights abuses in the UAE and discusses the labour-specific aspects of the agreement.

2. Labour rights abuses in the UAE

- 2.1. The NZCTU has significant concerns about the UAE's labour rights and standards, particularly the treatment of migrant workers.
- 2.2. Labour rights are unavailable to many workers in the UAE. In the International Trade Union Confederation's Global Rights Index for 2024, the UAE was among the 38 countries that received the lowest rating, "no guarantee of rights" for workers.¹
- 2.3. Walk Free, an international human rights organisation that reports on modern slavery, estimates that the UAE has the seventh highest prevalence of modern slavery in the world.² Walk Free estimates that there were approximately 132,000 people living in

¹ ITUC, 2024 ITUC Global Rights Index, 2024, p. 16.

² Walk Free reports on 160 countries. See <https://www.walkfree.org/global-slavery-index/>

conditions of modern slavery in the UAE in 2021 – or 13 out of every 1,000 people. Most of these people are migrant workers, who comprise almost 90% of the UAE’s population.

- 2.4. Migrant workers in the UAE are made particularly vulnerable by the kafala (sponsorship) system, which ties a migrant’s visa to an employer. As Walk Free outlines, the kafala system is:

A set of laws and policies that delegate responsibility for migrant workers to employers, including control over their ability to reside in, work, and exit the country. Migrant workers cannot access legal protections or leave their employment without facing legal and financial consequences. The system exacerbates the employer-worker power imbalance and prevents migrant workers from reporting abuse or exploitation.³

- 2.5. Equidem, a human and labour rights organisation, reports that this system provides the employers of migrants with the power to “restrict workers’ job mobility, freedom to enter and exit the country, and negotiating power”.⁴ For example, the US Department of State reports that “employers routinely [withhold] employees’ passports, thus restricting their freedom of movement and ability to leave the country or change jobs”.⁵
- 2.6. Research from Equidem, based on interviews with hundreds of migrant workers in the UAE, finds that regular labour rights abuses include wage theft, physical and sexual abuse, debt bondage, racial discrimination, and forced payment of recruitment fees to the employer or a third party (despite this being illegal under UAE law).⁶ Of the migrant workers interviewed for this research, 77% reported living in severely overcrowded accommodation and 83% of Asian and African migrant workers reported being unable to afford nutritious food.⁷ Another survey of migrant workers in the UAE, conducted by Fargues et al., found that 85% of those interviewed said they had signed a contract in Dubai but, because it was written in Arabic, most of them could not understand its terms.⁸
- 2.7. Evidence of the UAE’s willingness to address these issues is mixed. While the UAE has, in recent years, changed employment law to enable migrant workers to switch employer more easily, problematic aspects of the kafala system remain entrenched. For example, workers are expected to complete their contract before they can change jobs, and risk facing an employment ban if they do not. Workers may also be required to compensate their employer if they change jobs.⁹ Additionally, Walk Free notes that the UAE “government has not made efforts to eradicate modern slavery from government and business supply chains”.¹⁰

³ [Walk Free](#), *Modern Slavery in the United Arab Emirates: Global Slavery Index 2023 Country Study*, 2023, p. 2.

⁴ [Equidem](#), *Unjust Transitions: Climate Migration, Heat Stress, and Labour Exploitation in the United Arab Emirates*, 2023, p. 37.

⁵ [US Department of State](#), *United Arab Emirates: 2022 Human Rights Report*, 2022, p. 40.

⁶ [Equidem](#), *Unjust Transitions*, pp. 8-23.

⁷ [Equidem](#), *Unjust Transitions*, p. 8.

⁸ [P. Fargues et al.](#), *Working and Living Conditions of Low-Income Migrant Workers in the Hospitality and Construction Sectors in the United Arab Emirates*, 2019, pp. 4-6.

⁹ [Walk Free](#), *Modern Slavery in the United Arab Emirates*, p. 4.

¹⁰ [Walk Free](#), *Modern Slavery in the United Arab Emirates*, p. 3.

- 2.8. The enforcement of labour laws also appears to be weak in the UAE.¹¹ There is, for example, limited evidence of actions taken against employers who confiscate employees' passports or commit wage theft. The US Department of State notes that domestic workers are particularly vulnerable in this regard, due to the difficulty of enforcing labour laws in private residences.¹²
- 2.9. Freedom of association appears to be largely non-existent in the UAE. The US Department of State lists "substantial interference with the freedom of peaceful assembly and freedom of association, including overly restrictive laws on the organization, funding, or operation of nongovernmental organizations and civil society organizations", and the "outlawing of independent trade unions and significant restrictions on workers' freedom of association" as instances of "significant human rights issues" that have been credibly reported on in the UAE.¹³
- 2.10. Finally, the UAE is yet to ratify the following ILO fundamental conventions: C87 (Freedom of Association and Protection of the Right to Organise); C98 (Right to Organise and Collective Bargaining); C155 (Occupational Safety and Health); C187 (Promotional Framework for Occupational Safety and Health); and P29 (Protocol of 2014 to the Forced Labour Convention). Conventions 87 and 98 are particularly important as they enable workers to ensure that other fundamental ILO conventions are meaningfully given effect.

3. The Trade and Sustainable Development Chapter

- 3.1. Given the issues raised in the previous section, a trade agreement with the UAE would only be acceptable if it contained a Labour/Trade and Sustainable Development Chapter with binding and enforceable standards that commit parties to substantially lift labour standards.
- 3.2. The Labour/TSD Chapter would need to set out specific and binding steps towards the realisation of the ILO's Decent Work Agenda, as expressed through the ILO fundamental conventions, the Declaration of Fundamental Principles and Rights at Work, the Declaration on Social Justice for a Fair Globalisation, and other relevant instruments.
- 3.3. We have outlined what we consider best practice for Labour/TSD chapters in previous submissions to the MFAT, so do not reproduce them in full here. However, a brief summary of the clauses we think are necessary for an agreement with a country such as the UAE is provided below:
 - 3.3.1. Parties to the Agreement must work towards ratifying all ILO fundamental conventions and their protocols without undue delay.
 - 3.3.2. Parties to the Agreement must provide high levels of labour protection and strive to improve those levels of protection.

¹¹ We note that New Zealand also has a poor track record when it comes to migrant labour exploitation.

¹² [US Department of State](#), *United Arab Emirates: 2022 Human Rights Report*, p. 40.

¹³ [US Department of State](#), *United Arab Emirates: 2022 Human Rights Report*, p. 2.

- 3.3.3. Parties to the Agreement are prohibited from lowering their labour protections and standards regardless of regulatory intent.
- 3.3.4. A dispute settlement mechanism modelled on Chapter 26 of the NZ–EU FTA.
- 3.3.5. Domestic Advisory Groups modelled on Article 24.6 of the NZ–EU FTA.
- 3.3.6. Parties to the Agreement must work to effectively eliminate forced and compulsory labour.
- 3.3.7. A mechanism that allows Parties to the Agreement to ban the import of goods that have been produced in whole or in part by forced or compulsory labour.
- 3.3.8. An enforceable enterprise-specific dispute process, modelled on the United States–Mexico–Canada Agreement Rapid Response Mechanism.
- 3.3.9. Parties to the Agreement must recognise the specific vulnerabilities of migrant workers and implement their labour laws with this in mind.
- 3.3.10. Trade and gender equality provisions modelled on Article 19.4 of the NZ–EU FTA and Article 23.8 of the NZ–UK FTA.
- 3.3.11. A periodical review of the impact of labour provisions, to be conducted in consultation with social partners.
- 3.4. Unfortunately, the TSD Chapter that has been agreed in the NZ–UAE CEPA does not meet any of these standards.
- 3.5. It also falls well short of the standards set by previous agreements, such as the CPTPP Labour Chapter, the NZ–UK FTA Labour Chapter, and the NZ–EU FTA TSD Chapter. It therefore marks a significant backwards step in New Zealand’s trade policy. Specifically:
 - 3.5.1. Non-binding language of “shall endeavour to” is used in the articles relating to labour standards. This not only fails to address labour rights abuses in the UAE, it also fails to protect New Zealand exporters by ensuring they can trade on a level playing field.
 - 3.5.2. There are no binding commitments to uphold or work towards fulfilling the ILO’s Decent Work Agenda.
 - 3.5.3. Despite the well-established problem of migrant labour abuses and modern slavery in the UAE, there are no binding commitments to work towards addressing these issues.
 - 3.5.4. Article 14.19 excludes the TSD Chapter from the dispute settlement provisions of the Agreement, rendering it unenforceable.

4. The National Interest Analysis

- 4.1. Officials were instructed to complete the National Interest Analysis in an unreasonably compressed timeframe. As a result, the NIA lacks a detailed analysis of the expected economic impacts of the agreement, not just on GDP but on employment outcomes, regional development, and emissions, among other important issues. This means the

committee has not been provided with a fulsome picture of the potential costs and benefits of the agreement. We consider this to be poor process. Trade agreements place long-standing legal obligations on Parties. It is therefore important that National Interest Analyses are thorough.

- 4.2. We also point out that several statements made in the NIA regarding the TSD Chapter are misleading. Firstly, it is suggested that “the Trade and Sustainable Development chapter provides a solid basis to support decent work outcomes”.¹⁴ Given the total absence of binding and enforceable standards in the agreement, it is hard to see how the TSD Chapter will do this. Secondly, the NIA is incorrect to state that the TSD Chapter includes “a commitment to adopt and maintain the ILO Fundamental Principles and Rights at Work, and to regulate for decent working conditions”.¹⁵ In reality, the chapter provides only that Parties “shall *endeavour* to adopt and maintain the principles concerning the fundamental rights at work”.

5. Conclusion

- 5.1. The NZCTU does not support the NZ–UAE CEPA that has been negotiated. Given the well-recorded labour rights abuses that occur in the UAE, the lack of a strong and enforceable Labour/TSD Chapter that commits Parties to materially lifting their labour rights and standards is unacceptable. This agreement marks a backwards step for New Zealand trade policy.

For further information about this submission please contact:

Jack Foster

Policy Analyst

jackf@nzctu.org.nz

¹⁴ MFAT, *National Interest Analysis for NZ–UAE CEPA*, 2025, p. 35.

¹⁵ MFAT, *National Interest Analysis for NZ–UAE CEPA*, 2025, p. 35.