

Analysis of July 8 "Saturday Night" Decree Issued By Sultan of Oman*

The Sultan of Oman issued a Royal Decree reforming Oman's labor laws late on Saturday, July 8. (Representatives of the Government of Oman previously stated that the Government could not issue any such decrees until October 2006, so as to leave time for consultation with appropriate parties and legislators.)

Previously, staff identified 10 areas where Oman's labor laws fall short of basic international standards . Based on our analysis of an unofficial version of the decree, the document appears to address fully only 1 of the 10 areas where Oman's labor laws do not comply with basic international labor standards. This view appears consistent with reported statements by Oman's lobbyists that the Decree does NOT address all of the concerns raised by Ways and Means Democrats.

DETAILED ANALYSIS OF JULY 8 DECREE

Addresses Fully 1 Deficiency:

- **Inadequate Protection Against the Worst Forms of Child Labor** - The Royal Decree mandates an overdue increase in fines for the worst forms of child labor from approximately US\$260 to US\$1300. The Royal Decree also increases the penalty for committing a second offense within a year – from imprisonment for up to a week, to imprisonment up to one month.

The decree reaffirms existence of 1 deficiency, without mention of a solution:

- **Membership Required in Sole-Permitted Federation** - Oman's labor law creates a single federation of unions and requires that unions belong to it, in violation of ILO Convention 87. The July 8 Royal Decree appears to **reaffirm** this problem in Oman's law, stating, "Labor unions shall form a general federation of the Sultanate of Oman workers to represent them in local, regional and international meetings and conferences." Further, the Decree does nothing to address the fact that current unions and the sole federation are employer-dominated. In fact, 11 of the 13 members of the executive committee of the sole federation of unions are upper level managers.

Fails to address meaningfully 2 deficiencies:

- **Inadequate Protection of Foreign Workers from Forced Labor** - The U.S. State Department has reported that foreign workers in Oman are "at times . . . placed in situations amounting to forced labor. Employers have withheld documents that release workers from employment contracts and allow them to change employers." The Royal Decree does not address the withholding of workers' documents, but instead, states only that, "Any employer should not impose any form of compulsory or forced labor."
- **Inadequate Protection Against Forced Labor** - The Decree does not say anything about the fact that Oman's law contains wording that could allow for the exaction of forced labor for public purposes, in violation of the conditions set forth in ILO Convention 29.

The Royal Decree states that 5 deficiencies will be addressed in Ministerial Decisions to be issued in the future (without specifics about the substance of such future decisions).

- **Government Interference in Unions** - Workers' rights to organize and to engage in legitimate union activity in Oman are undermined by 3 sets of provisions in Oman's laws that allow extensive government interference in such unions (*e.g.*, among other things, Oman's law requires a union to give notice and a copy of the agenda to the Government prior to any meetings, permits the Government to send a representative to such meetings, requires that workers have completed one year of employment in order to join a union, and requires union leaders to have "good spoken and written Arabic.")

The Royal Decree states, "[Labor unions] will have the right to practice their activities in full freedom and without the interference of any party in their affairs or influencing them in any way. The minister shall issue the executive decisions organizing the formation, duties, and registration of labor syndicates"

***Note, the broad language regarding the scope of the future decision to be issued by the Minister is problematic, as government interference in the formation and duties of workers' organizations in many cases does not comply with ILO standards. Further, the Royal Decree does not explicitly state that the

12 problematic provisions in existing Ministerial Decisions that authorize government interference in union activities, in violation of ILO standards, are repealed. Rather, the Decree provides only a general statement that "All things that may infringe this decree or conflict with its provisions shall be rendered null and void."

- **Failure to Provide for the Right to Bargain Collectively and Failure to Set Forth Procedures for Engaging in Legal Strikes** - Oman's labor law does not expressly provide for the right to bargain collectively nor set forth procedures for engaging in legal strikes, in violation of ILO Conventions 98 and 87, respectively.

The Royal Decree states, "The minister shall issue an executive decision to organize collective bargaining aimed at settling a collective labor dispute, improving the terms and conditions of work, upgrading productivity, or organizing a peaceful strike and closure."

Read in its most favorable light, this could mean that the Minister of Manpower will in the future issue a ministerial decision that will address the failure of Oman's law to provide for the right to bargain collectively and to set forth procedures for engaging in legal strikes. However, the Decree does not: (1) expressly repeal the current problematic provision in Oman's law (Article 6) that gives employers **discretion** as to whether to engage in bargaining with workers; or (2) ensure that arbitration and conciliation procedures do not undermine workers' right to strike.

Partly Addresses 1 Deficiency

- **Inadequate Protection Against Anti-Union Discrimination** - Oman's laws fail to provide adequate protection against anti-union discrimination by employers, as required by ILO Convention 98.

The Royal Decree appears to prohibit anti-union discrimination and sets forth certain penalties for such activities: "[I]t is not permissible to terminate the service of, or impose any other penalty on, any of the worker representatives in the labor unions or in the General Federation of the Sultanate of Oman Workers because of them practicing their labor union duties." An employer or his/her representative who "does anything that might deprive a worker from his/her right in carrying out his/her union

activity or obstructs the formation of labor syndicates or the [sole federation]" may be punished by up to one month's imprisonment and/or a fine of approximately US\$1300.

The Royal Decree does not provide workers the right to reinstatement if they are fired for union activities, although it appears to provide adequate penalties for anti-union discrimination. (Currently, Oman's laws provide the courts the option of imposing reinstatement.) The right of workers to reinstatement is a key component of protection against anti-union discrimination under basic international labor standards.