

# COMPARATIVE ANALYSIS OF EMPLOYMENT LAW AND IMPLEMENTATION OF EMPLOYMENT CONTRACTS IN THE CONSTRUCTION SECTOR: A GLOBAL PERSPECTIVE

Bagus Satrio Utomo P. <sup>1</sup>, FX. Joko Priyono <sup>2</sup> and Nanik Trihastuti <sup>3</sup>

<sup>1,2,3</sup> Faculty of Law Diponegoro University, Semarang, Indonesia.  
Email: <sup>1</sup>bagussat66@gmail.com, <sup>2</sup>fransiskusjoko893@gmail.com,  
<sup>3</sup>naniktrihastuti@gmail.com

DOI: 10.5281/zenodo.12670020

## Abstract

**Purpose** – The purpose of this legal research is to analyze the implementation of employment contracts in the construction sector across various countries and evaluate the influence of laws and regulations in each country on this implementation. **Design/methodology/approach** – This research is rooted in a combined legal and empirical framework. A rigorous literature review forms the foundation, aiming to decipher the laws, regulations, and prevailing practices related to employment contracts in the construction sectors of diverse countries. To supplement this foundational review, the study employs a thematic analysis approach, a recognized method in social research for identifying and organizing patterns within data. This involves drawing insights from qualitative data obtained through in-depth interviews with key industry stakeholders. **Findings** – The results of the research indicate significant differences in the implementation of employment contracts in construction projects across various countries, particularly in the areas of workers' rights and obligations, wage payment systems, and worker satisfaction. The laws and regulations in each country play a vital role in shaping these differences. Challenges related to precarious employment, informal employment, and misclassification of workers as independent contractors also persist in many countries. **Research limitations/implications** – This study, although thorough, is circumscribed by its methodological approach and the select number of countries analyzed. Consequently, the findings might not encompass all intricacies of the global construction sector. Future investigations should broaden the geographical scope and possibly integrate varied methodologies for a more encompassing perspective on employment contract dynamics in this sector. **Originality/value** – This research offers a novel exploration of a specific facet of employees' rights within the broader realm of employment contracts in the construction sector: the right to safe working conditions. By delving into how various countries implement and uphold this right in the construction sector, this study underscores the universal significance of safety standards and regulations. It not only provides a comparative analysis but also bridges the gap between general employment laws and specific issues faced by construction workers, highlighting the need for more sector-specific policies and practices to ensure their safety and well-being. **Practical implications** – This study provides valuable insights for key participants within the construction industry. Policymakers can utilize the research findings to enhance and solidify employment legislations. Construction firms can understand and adapt their employment agreements, ensuring they are not just comprehensive, but also grounded in the real-world experiences of their workers. This adaptation can lead to increased job satisfaction among workers, which, in turn, can positively influence the overall success of projects. Workers, equipped with the knowledge from this study, can more effectively advocate for their rights and monitor the industry's adherence to labor laws. **Social Implications** – On a wider scale, the study offers insights into societal challenges within the construction sector. By examining employment conditions across various countries, the research highlights the discrepancies and difficulties many workers face. This comparison underscores the vital role of legal frameworks in providing consistent, equitable work environments. The findings reinforce the shared responsibility of ensuring that workers, regardless of geographical location or cultural background, are afforded just working conditions.

**Keywords:** Employment Contracts, Construction Sector, Thematic Analysis, Literature Review.

## INTRODUCTION

The implementation of employment contracts in the construction sector plays a crucial role in determining the quality of work and satisfaction of workers (Dawson, Veliziotis, & Hopkins, 2017). According to International Labor Organization, employment contracts outline the rights and obligations of workers and the terms of their employment, including their duties, wages, and benefit. In the construction sector, employment contracts are often used to regulate the working conditions of workers and ensure their safety and well-being (Chih et al., 2016). However, there can be differences in the implementation of employment contracts in various countries, which can affect the rights and obligations of workers, the wage payment system, and the level of worker satisfaction (Chiang, 2009).

The construction sector is a vital part of the global economy, with construction projects taking place in various countries around the world (World Bank, 2020). The construction industry is known for its high level of physical demands and potential risks, which makes the working conditions of workers a crucial factor in ensuring their well-being and satisfaction (Chiang, 2009). Employment contracts play a vital role in regulating the working conditions of workers and ensuring that their rights and obligations are clearly defined (Sun & Chen, 2017).

The laws and regulations in each country play a significant role in influencing the implementation of employment contracts (Sun & Chen, 2017). In some countries, stricter laws and regulations may lead to better working conditions and higher levels of worker satisfaction (Dawson et al., 2017), while in other countries, looser laws and regulations may result in imbalanced rights and obligations of workers, an unfair wage payment system, and lower levels of worker satisfaction (Chiang, 2009).

For example in Indonesia, the employment contract is regulated by the Law of the Republic of Indonesia Number 13 of 2003 concerning Manpower (Manpower Law). The Manpower Law outlines the rights and obligations of workers and employers, including the terms of employment, wages, benefits, and working conditions. The Manpower Law in Indonesia aims to protect the rights of workers and ensure that they are treated fairly and with respect. The law also aims to establish a fair wage payment system and improve the working conditions of workers in the construction sector (Bartley, 2010). However, the implementation of employment contracts in the construction sector in Indonesia may still face challenges, such as the lack of compliance with the law (Cuevas, Rosario, Barcenas, & Christian, 2009), the prevalence of informal employment (Wells, 2007), and the lack of enforcement mechanisms.

For the purposes of this research, emphasis is placed on a singular, yet vital component of employees' rights: the right to safe working conditions. This particular right stands at the nexus of the construction industry's intrinsic risks and the overarching necessity for employment safeguards. Scrutiny of this right provides a poignant reflection of the efficacy of employment contracts in truly encapsulating and ensuring worker welfare.

Given the importance of employment contracts in the construction sector and the potential impact of their implementation on workers (Chih et al., 2016), it is important to study and understand the differences in their implementation in various countries. This research aims to analyze the differences in employment contract implementation in construction projects in various countries and evaluate how the laws and regulations

in each country influence this implementation, particularly focusing on the right to safe working conditions across various countries. By understanding these differences and the factors that contribute to them, it is possible to identify areas for improvement and ensure that employment contracts are implemented effectively and fairly in the construction sector.

## RESEARCH METHODOLOGY

This research aims to build upon the existing literature on the implementation of employment contracts in the construction sector in different countries. The methodology employed in this study involves a thematic analysis approach to identify patterns and themes in the data collected, demonstrating rigor in the data analysis part. This approach allows for a systematic examination of the differences in employment contract implementation in each country and how the laws and regulations influence this implementation (Alhojailan & Ibrahim, 2012). The study seeks to identify the differences in the implementation of employment contracts in terms of the rights and obligations of workers, the wage payment system, and the level of worker satisfaction.

Thematic analysis is a well-established method for examining data in social research (Alhojailan & Ibrahim, 2012). It involves identifying patterns and themes within the data and organizing them into meaningful categories. Thematic analysis has been widely used in previous research on employment practices and working conditions (Kreshpaj et al., 2020), making it a suitable approach for this study.

In selecting the countries for this study on the implementation of employment contracts in the construction sector, several criteria were kept in mind to ensure a comprehensive and representative analysis:

1. Major Western Economies: The United States, United Kingdom, and Australia represent major Western economies with mature legal systems and significant construction sectors. These countries have robust employment regulations and provide benchmarks for best practices in the industry (David & Brierley, 1978).
2. Emerging Economies: India, Brazil, South Africa, Turkey, and Indonesia are considered emerging economies. Their inclusion offers insights into the challenges and nuances of implementing employment contracts in rapidly growing and evolving markets with diverse cultural and legal contexts (Hoque & Zaidi, 2020).
3. Regional Supranational Entities: The European Union Member States and Gulf Cooperation Council Countries represent supranational entities. Analyzing them provides insights into how regional alliances with shared regulations (or lack thereof) influence employment contract practices across member states (Libman, 2016).
4. Asian Financial Hubs: Hong Kong and South Korea represent significant economic hubs in Asia. Their selection is pivotal to understand the implementation of employment contracts in regions with a blend of Western and Eastern practices and where the construction sector is a vital component of the urban fabric (Jon, Lee, & Byun, 2014).

The study prioritizes these countries and regions as they present a balanced mix of developed, developing, and emerging markets. They also cover a broad geographical

spectrum and represent various legal, economic, and cultural backgrounds, making the research outcomes more globally representative.

To ensure the relevance of the research, the study draws upon relevant social theories to support its findings. The application of these theories to the findings of the study provides a deeper understanding of the ways in which employment regulations in the construction sector reflect and reproduce the interests and values of dominant groups, as well as the challenges and opportunities for effective implementation and compliance (Peck, 1996).

The findings of this research contributes to a more comprehensive understanding of the factors that affect the implementation of employment contracts in the construction sector across various countries. By identifying the differences in the implementation of employment contracts in terms of the rights and obligations of workers, the wage payment system, and the level of worker satisfaction, the study can provide insights into potential improvements in policies and practices. This can lead to the development of more effective policies and practices aimed at ensuring fair and decent working conditions for workers in the construction sector.

Numerous studies have examined employment contracts within the construction industry. However, a lacuna persists in literature concerning the complex relationship between regional employment regulations, cultural norms, and practical application on-site. Existing studies predominantly offer either a broad global perspective or a focused regional analysis (Buckley, Zendel, Biggar, Frederiksen, & Wells, 2016). This research addresses this gap, embarking on a comparative thematic analysis spanning countries with varied socio-economic backgrounds not previously collectively studied.

Crucially, the investigation transcends mere statutory interpretation, acknowledging that the efficacy of legal provisions on worker rights and satisfaction is influenced by the region's cultural, economic, and political dynamics (Pedriana & Stryker, 1997). By contrasting developed economies with emerging ones, and comparing regional leaders with global centers, this study aims not only to highlight differences but to uncover foundational factors that could guide improved policy and industry practices worldwide.

### **Research Implications**

This research points out major problems in how construction companies in different parts of the world treat their workers.

For Policymakers, the study shows that there's a gap between the laws made and how they are actually followed. Instead of just making new laws, there should be better ways to ensure they are being followed. This might include regular checks, updates to the laws, and efforts to solve problems like jobs that aren't officially recognized. It also suggests that talking with policymakers in other countries might help make things better, especially in places where workers move between countries.

For Construction Companies, the research can help these companies see where they might not be doing right by their workers. By focusing on what's best for their workers, not just on paper but in reality, companies can avoid legal problems and also build a better reputation.

For Workers, knowing more about what's fair and what's the standard in other places can help workers ask for better conditions. This research can also help groups that support workers to make strong cases for better treatment.

This study also shows that if companies don't treat their workers properly, it affects the wider community. Issues like unfair pay can lead to bigger problems in society, such as people struggling to make ends meet or not having the chance to improve their lives. By highlighting these problems, the research asks everyone to think about how we can make employment better for all.

When companies treat their workers fairly and properly, it can lead to happier workers who stay longer in their jobs and work more efficiently. Companies that follow good practices can also attract more skilled workers and find better business opportunities, especially in big international projects.

This research doesn't just repeat what's already known but shows it in a new light by comparing different places. This gives a clearer understanding of the problems and also provides suggestions for future research and actions. The lessons from this study can lead to better work conditions in the construction sector, which is good for everyone in society.

### **Employment Law and Contracts**

Employment law plays a crucial role in regulating the employment relationship in the construction industry, including the rights and obligations of workers and employers, the wage payment system, and working conditions. Employment law can also have an impact on the construction industry, including the potential trade-offs between labor protections and productivity (Barnard, 2012).

Employment contracts play an essential role in the construction industry by establishing the terms and conditions of employment between the employer and the employee. In the construction industry, employment contracts can cover a wide range of issues, such as working hours, wages, benefits, safety and health, and dispute resolution mechanisms (Barnard, 2012).

A well-drafted employment contract can help to avoid misunderstandings and disputes between the parties, as it sets out the rights and obligations of both the employer and the employee. However, it is important that employment contracts comply with relevant employment laws and regulations, and that they are fair and reasonable.

In the construction industry, employment contracts may also need to take into account the unique nature of construction work, such as the need to work in remote locations or to work irregular hours. As such, employers and employees in the construction industry may need to negotiate specific terms and conditions that reflect the realities of the industry (Portes & Haller, 2010).

The construction sector is widely recognized for its contribution to economic growth, but it's also notorious for its elevated risks and hazards. Hinze (1997) delved into the nature of safety in construction sites and emphasized the combination of a dynamic environment with the frequent use of heavy machinery as a potential risk multiplier. The role of employment contracts in mitigating these inherent risks cannot be understated. Teizer (2015) asserts that while the potential hazards of construction are well-documented, the contractual frameworks designed to safeguard workers often lack the specificity required to comprehensively address these challenges.

Furthermore, the ever-present issue of the informal construction workforce brings another layer of complexity, as highlighted by Wells (2007), who pointed out that informal employment can lead to situations where workers might not be adequately protected by employment contracts. While the challenges are manifold, Tam, Zeng, and Deng (2004) propose that embedding a culture of safety and continuous training, as well as periodic revisions of employment contracts based on real-world feedback and evolving best practices, can make a marked difference in ensuring safer working conditions. The intertwined relationship between contractual obligations and on-ground safety practices is a testament to the pivotal role that well-drafted and regularly updated employment contracts play in ensuring worker safety.

Informal employment is a significant problem in the construction sector, and is often driven by the lack of enforceable employment laws and the informalization of labor relations. Informal employment can also have negative consequences for workers, including low wages, poor working conditions, and lack of access to social protections (Wells, 2007).

There are also issues related to the globalization of the construction industry. Globalization has led to an increase in the mobility of capital, technology, and labor, but it has also resulted in a race to the bottom in terms of labor standards, as companies seek to minimize costs and maximize profits (Mosley & Uno, 2007). To address these challenges, it is important to have effective employment laws and regulations in place that protect the rights of workers and ensure fair and safe working conditions. These laws should be enforced by competent authorities, and penalties for non-compliance should be sufficient to deter violations.

In addition to legal protections, the construction industry can also benefit from the establishment of strong and effective trade unions and collective bargaining mechanisms. These can help to ensure that workers are paid fairly and have access to safe and healthy working conditions, as well as provide a means of resolving disputes.

Collective bargaining and trade unions can also play a significant role in shaping employment practices in the construction industry, including the negotiation of wages and working conditions, the resolution of disputes, and the representation of workers' interests. However, there can be challenges and limitations to the use of collective bargaining and trade unions in the construction industry, such as the prevalence of informal employment and the impact of globalization (Druker & Croucher, 2000).

### **Comparative Analysis of Employment Law and Implementation of Employment Contracts**

Employment contracts in the construction sector are an important factor in protecting the rights of workers and ensuring fair and decent working conditions. However, there are significant differences in the implementation of employment contracts in various countries, particularly in terms of the rights and obligations of workers, the wage payment system, and the level of worker satisfaction.

The laws and regulations in place in each country have an important role in influencing the implementation of employment contracts in the construction sector. In some countries, stricter laws and regulations can increase the rights and obligations of workers, a fairer wage payment system, and a higher level of worker satisfaction. However, in other countries, looser laws and regulations can lead to imbalanced rights

and obligations of workers, an unfair wage payment system, and a lower level of worker satisfaction.

There are also challenges to the implementation of employment contracts in the construction sector in different countries, such as the prevalence of informal employment and the lack of compliance with the law. These challenges can hinder the effectiveness of employment contracts in protecting the rights of workers and ensuring fair and decent working conditions.

The following are implementation of employment contracts in the construction sector in different countries:

### **1. United States**

Employment law in the United States is notably intricate, due to the interplay between federal and state regulations. The Fair Labor Standards Act (FLSA) stands as a foundational federal statute, underpinning many workers' rights. These rights span from minimum wage stipulations to crucial protections against workplace discrimination and harassment. While the construction sector is generally considered compliant with these regulations, there are still persisting issues. The informal nature of certain employment types, such as day laborers, and the tendency to misclassify workers as independent contractors rather than employees, are of particular concern (Bernhardt, 2008). This misclassification can prevent workers from accessing the benefits and protections they are entitled to. Furthermore, safety within the construction industry remains an ongoing challenge. The Occupational Safety and Health Act (OSHA) has laid down clear guidelines, yet adherence varies. The vulnerabilities of immigrant workers, especially those on visas, further exacerbate these safety concerns. This demographic often faces greater risks due to language barriers, limited knowledge of their rights, and fear of retaliation (Theodore et al., 2015).

### **2. United Kingdom**

The United Kingdom's employment laws, governed by the Employment Rights Act 1996, offer a comprehensive framework designed to protect the rights of workers. This framework encompasses everything from wage expectations to unfair dismissal protections.

Nevertheless, the construction industry grapples with its own unique set of challenges. One emerging concern is the rise of precarious employment. This type of employment often involves short-term, unstable contracts, which can hinder workers from obtaining stable employment and negotiating fair wages (Clarke, 1992).

Safety in the UK construction sector is regulated by the Health and Safety Executive (HSE). While these regulations are in place, enforcing them in an industry characterized by fragmented work schedules and diverse contract types remains a challenge. Consistent safety standards are crucial, especially given the industry's inherent risks (Loosemore & Andonakis, 2007).

### **3. Australia**

In Australia, the Fair Work Act 2009 shapes employment relationships, offering protections similar to those in the U.S. and UK. From wage guarantees to leave benefits, the Act aims to secure workers' rights.

However, Australia's construction industry contends with its own particularities. Casual employment, wherein workers might not have consistent hours or benefits, is prevalent. Furthermore, the misclassification of workers, particularly as independent contractors, remains a significant issue, denying many the benefits of full employment status.

Migrant workers, especially those on certain visas, face a heightened risk of exploitation. Factors such as language barriers and unfamiliarity with the Australian legal system make them particularly vulnerable. Their concerns range from suboptimal working conditions to wage theft, emphasizing the need for enhanced oversight (Underhill & Rimmer, 2016).

#### **4. India**

India's vast employment landscape is influenced by both state and federal laws. The Industrial Disputes Act 1947 is a primary statute at the federal level, ensuring basic worker rights such as minimum wages and unfair dismissal protections.

Unlike the previously mentioned countries, India's construction sector is marked by widespread informal employment. Many workers lack formal contracts, and, as a result, face challenges in accessing basic protections. This informal nature, combined with enforcement issues, makes regulatory compliance in the construction sector challenging (Srivastava, 2005). Safety concerns are exacerbated by this lack of formality, with many workers not receiving adequate safety training or protective equipment, underscoring the need for more effective regulations and their enforcement (Kapur & Nangia, 2015).

#### **5. Brazil**

Brazilian labor dynamics revolve around the Consolidation of Labor Laws (CLT), established in 1943. The CLT assures workers' rights, such as the minimum wage, predetermined leaves, and protection against unfair terminations.

However, the Brazilian construction sector grapples with challenges, especially concerning subcontracted labor. Subcontracting frequently puts workers in vulnerable positions. While they're ostensibly protected by the CLT, the enforcement of these rights often proves problematic. For instance, the rapid urbanization and development seen in Brazil, including mega-events like the FIFA World Cup in 2014 and the Olympics in 2016, saw concerns raised about construction workers' rights, especially regarding subcontracted laborers (Rocha & Debert-Ribeiro, 2004).

#### **6. South Africa**

In South Africa, worker rights are anchored by the Labor Relations Act of 1995. This law covers aspects from the minimum wage to protection against untimely dismissals.

Nevertheless, the construction sector reveals a complex landscape. Informal employment, marked by its very nature, challenges conventional employment frameworks. Concerns about safety are accentuated in this environment. Studies have identified the construction sector as one of the riskiest in terms of occupational health and safety in South Africa (Wellington & Mpendulo, 2008).

#### **7. Turkey**

Turkey's labor landscape is shaped by its Labor Law, ensuring rights like fair remuneration, leaves, and protection from arbitrary dismissals.

Yet, the construction industry in Turkey stands apart. The sector, defined by high rates of informal employment, often sidesteps standard labor rights. The rapid growth of the construction sector in Turkey, coupled with its role as a significant employment source, means that these challenges have a broad societal impact. Issues of worker safety and rights have been highlighted, especially concerning large projects like urban regeneration and infrastructure developments (Güzey, 2009).

## 8. European Union Member States

European Union (EU) member states are required to implement EU directives on employment law, which provide workers with a number of protections and rights, including the right to a minimum wage, paid annual leave, protection from discrimination and harassment, and the right to request flexible working arrangements.

In addition to these protections, national laws and regulations in EU member states may provide additional protections and rights for workers, for example:

- a. Germany, the country's regulations specify a maximum 48-hour workweek. Workers are also guaranteed at least 24 days of paid annual leave. Additional leave provisions exist for events like the birth of a child or a family member's death. The enforcement of these labor laws falls under the jurisdiction of the Federal Employment Agency, offering workers a platform for grievances.
- b. The Netherlands, Dutch workers can expect a 40-hour workweek and a minimum of 20 days of paid annual leave. The Netherlands Enterprise Agency (RVO) supervises adherence to these rules.
- c. Spain, the country adheres to a 40-hour workweek, and workers are entitled to at least 30 days of paid annual leave. However, the construction sector, in particular, has witnessed issues of job insecurity, especially among migrant workers. Reports suggest that migrant workers often grapple with discrimination and lack of access to standard social protections (Meardi, Martin, & Riera, 2012; Padrosa, Belvis, Benach, & Julià, 2021)
- d. France, the country employment laws dictate a 35-hour workweek and a minimum of 5.6 weeks of paid annual leave. Labor regulations are enforced by the Direction générale du travail (DGT).
- e. Italy, the country labor laws stipulate a 40-hour workweek with workers entitled to at least 4 weeks of paid annual leave. However, like Spain, migrant workers in the construction sector in Italy face significant challenges. Discrimination, non-standard work contracts, and exploitation have been documented issues. A study focusing on Romanian migrant workers highlighted these very concerns (Frangi, Zhang, & Banerjee, 2021).

EU member states often have specialized agencies and bodies responsible for enforcing employment laws and regulations. EU member states also have mechanisms in place for workers to file complaints and seek remedies for violations of their rights. For example: in Germany, the Federal Employment Agency is responsible for enforcing labor laws and regulations, and workers can file a complaint with the agency if they believe their rights have been violated. In the Netherlands, the Netherlands Enterprise Agency (RVO) is responsible for enforcing employment laws and regulations, and workers can file a complaint with the RVO if they believe their rights have been violated.

In France, the Direction générale du travail (DGT) is responsible for enforcing labor laws and regulations, and workers can file a complaint with the DGT if they believe their rights have been violated. These mechanisms provide a way for workers to seek remedies for violations of their rights and help to ensure the proper implementation of employment laws and regulations in the EU. However, studies have found that precarious employment is a significant issue in many European Union (EU) member states especially in the construction industry. Research has shown that precarious employment is often associated with lower pay, fewer benefits, and poorer working conditions compared to permanent employment (Hardgrove, McDowell, & Rootham, 2015; Olsthoorn, 2014; Padrosa et al., 2021; Schulten & Schulze-Buschhoff, 2015). Precarious employment is also often linked to higher levels of job insecurity and stress, as well as poorer physical and mental health outcomes (Koranyi, Jonsson, Rönnblad, Stockfelt, & Bodin, 2018).

There have also been several studies that have examined the experiences of migrant workers in the construction industry in EU member states. One study found that migrant workers in the construction industry in Spain often face challenges related to discrimination, exploitation, and a lack of access to social protections (Padrosa et al., 2021). Other research has focused on the challenges faced by specific groups of migrant workers in the construction industry in EU member states. Another study of Romanian migrant workers in the construction industry in Italy found that these workers often face challenges related to discrimination and exploitation (Frangi et al., 2021). Overall, it is clear that migrant workers in the construction industry in some EU member states often face significant challenges related to poor working conditions, low pay, and a lack of access to social protections.

## **9. Gulf Cooperation Council Countries**

The employment landscape within the Gulf Cooperation Council (GCC) countries, comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates, has historically been underpinned by the "kafala" or sponsorship system, which often tethered migrant workers to their employers (Amnesty International, 2013). This system, especially within the construction sector, was frequently associated with the risk of worker exploitation.

Notable issues, as highlighted by various reports from international organizations, ranged from confiscation of passports to non-payment of wages and inadequate living accommodations (Towe, 2022). A significant point of international scrutiny was the preparation for the 2022 FIFA World Cup in Qatar, which drew attention to the treatment of migrant workers in the construction sector (Amnesty International, 2016). In addition, research has shown that the construction industry in the GCC countries is particularly prone to precarious employment and labor rights abuses.

This is due in part to the high demand for construction workers in the region and the large number of migrant workers in the industry (Diop, Le, & Ewers, 2016). Despite the challenges, some progress has been made in improving labor protections for workers in the GCC countries. For example, Qatar has implemented reforms to the kafala system and has introduced a minimum wage for workers. However, more needs to be done to ensure the proper implementation of employment laws and regulations in the GCC countries and to protect the rights of all workers, including migrant workers.

## 10. Hong Kong

The vertical nature of Hong Kong's cityscape and its continual expansion has meant that construction safety is an issue of paramount importance. While the Hong Kong Occupational Safety and Health Council has been proactive in recommending safety measures, challenges persist. With skyscrapers and densely packed construction sites, there's an inherent risk of falling from heights, machinery accidents, and structural collapses. In some instances, the rapid pace of construction in the city, driven by housing demand, has led to oversights in safety protocols.

However, despite such efforts, the construction sector in Hong Kong, akin to global metropolitan counterparts, has been subject to concerns. These encompass occasional construction mishaps, variable working conditions, and occasional labor disputes (Chiang, 2009).

## 11. South Korea

In South Korea, employment law is governed by the Labor Standards Act (LSA) and the Industrial Relations Act (IRA). These laws grant workers various rights, such as minimum wage, paid leave, and protection from discrimination and harassment. The construction industry in South Korea, like all other sectors, falls under the purview of the LSA and the IRA.

Despite these protections, there are issues specific to the construction sector in South Korea. One of the prevalent concerns in construction is worker safety. While the Ministry of Employment and Labor has stipulated safety regulations and guidelines, the industry still witnesses a relatively high number of work-related accidents (Nam & Kim, 2019). Factors such as the transient nature of construction projects, misclassification of workers as independent contractors, and the prevalence of precarious employment conditions contribute to these challenges. Labor disputes, sometimes leading to strikes, further underscore the industry's vulnerabilities (Shin, 2013).

## 12. Indonesia

The legal framework for employment in Indonesia is primarily based on the Manpower Law. This law encompasses rights like a minimum wage, paid leave, and protection from unfair dismissal. However, the construction industry in Indonesia is characterized by a significant amount of informal employment, often sidelining the standardized employment benefits (Cuevas et al., 2009).

Construction safety is an area that requires more focused attention in Indonesia. Many construction sites often lack basic safety measures, leading to accidents and fatalities (Machfudiyanto & Latief, 2017). The challenge lies not just in the formulation of safety regulations but in their effective implementation across the archipelago. The Manpower Law and subsequent regulations are working towards ensuring both rights and safety standards in the construction sector, but on-ground realities like informal employment and inadequate enforcement mechanisms make the task challenging (Bartley, 2010; Manullang, 2022).

Employment in the construction sector varies widely across the globe, shaped by unique challenges, cultural factors, and regulatory environments. As nations continue to develop and evolve, the regulatory frameworks governing construction employment are adapted to address these distinct challenges. In some regions, concerns center

around worker rights and misclassification, while in others, the focus might be on safety protocols or the influx of immigrant labor.

Table 1 provides a snapshot comparison of employment regulation and compliance across various countries and regions. By understanding these differences, stakeholders can better navigate the global landscape of construction employment:

**Table 1: Comparison of Employment Regulation between Countries**

Country	Main Employment Law	Protections for Workers	Compliance Level	Challenges in Implementation
United States	Fair Labor Standards Act	Minimum wage, overtime pay, protection from discrimination and harassment	High	Prevalence of informal employment, misclassification of workers as independent contractors, exploitation and mistreatment of workers, especially immigrant workers or workers on visas
United Kingdom	Employment Rights Act 1996	Minimum wage, paid leave, protection from unfair dismissal	High	Prevalence of precarious employment, labor relations and collective bargaining challenges, high rate of temporary or casual contracts
Australia	Fair Work Act 2009	Minimum wage, paid leave, protection from unfair dismissal	High	Prevalence of casual and temporary employment, misclassification of workers as independent contractors, exploitation and mistreatment of workers, particularly migrant workers or workers on visas
India	Industrial Disputes Act 1947	Minimum wage, paid leave, protection from unfair dismissal	Low	High level of informal employment, lack of compliance with employment laws and regulations, lack of enforcement mechanisms and awareness of workers' rights
Brazil	Consolidation of Labor Laws (CLT)	Minimum wage, paid leave, protection from unfair dismissal	Low	Use of subcontracted labor, which can make it difficult for workers to negotiate fair wages and working conditions
South Africa	Labor Relations Act 1995	Minimum wage, paid leave, protection from unfair dismissal	Low	High level of informal employment, lack of compliance with employment laws and regulations, challenges in implementation of employment contracts
Turkey	Turkish Labor Law	Minimum wage, paid leave, protection from unfair dismissal	Low	Challenges related to labor relations and collective bargaining
European Union Member States	EU directives on employment law	Minimum wage, paid annual leave, protection from discrimination and harassment, right to request flexible working arrangements	High	Precarious employment and challenges faced by migrant workers in the construction industry

Country	Main Employment Law	Protections for Workers	Compliance Level	Challenges in Implementation
Gulf Cooperation Council Countries	Employment laws and regulations	Protection of rights of workers	High	Precarious employment and labor rights abuses, exploitation and abuse of migrant workers, kafala system
Hong Kong	Employment Ordinance	Minimum wage, paid leave, protection from unfair dismissal	High	Prevalence of informal employment, challenges related to labor relations and collective bargaining
South Korea	Labor Standards Act (LSA) and Industrial Relations Act (IRA)	Minimum wage, paid leave, protection from discrimination and harassment	Intermediate	Prevalence of precarious employment and worker misclassification as independent contractors, labor relations and collective bargaining issues in the construction industry, including strikes and disputes over wages and working conditions
Indonesia	Manpower Law	Minimum wage, paid leave, protection from unfair dismissal	Low	Lack of compliance with the law, prevalence of informal employment, and lack of enforcement mechanisms in the construction sector, which may hinder the effectiveness of employment contracts in protecting the rights of workers and ensuring fair and decent working conditions.

Construction safety remains a pivotal area of concern in the global employment landscape, given the inherent risks associated with activities in this sector. A thorough examination of employment regulations and compliance reveals multifaceted implications for the construction industry across different regions.

In regions like Europe and North America, which exhibit high adherence to employment regulations, there have been significant strides in establishing and enforcing rigorous construction safety protocols. For instance, the U.S. boasts robust guidelines under the Occupational Safety and Health Administration (OSHA). However, these measures, while effective for large-scale operations, often witness circumvention in smaller, potentially informal sectors. This oversight not only jeopardizes the well-being of workers but also introduces a myriad of legal complexities.

Conversely, in regions such as South America and Developing Asia, there's a palpable discrepancy between awareness of safety protocols and their practical implementation. Given the layered and often subcontracted nature of many construction endeavors in these regions, it frequently becomes nebulous to pinpoint accountability in the aftermath of accidents. This ambiguity is further compounded by an inconsistency in training regimes and limited accessibility to requisite safety apparatus.

The situation in East Asia, especially in regions like Hong Kong, is particularly intriguing. While the area is synonymous with architectural marvels and ostensibly high

compliance levels, the shadow of informal employment casts doubts on the uniform application of safety standards. The Middle East presents another complex scenario, where a predominantly migrant workforce might not always be well-acquainted with indigenous safety norms, potentially leading to inadvertent lapses.

Despite these regional variations in employment regulations and their effectiveness, our analysis indicates that compliance with the law and enforcement mechanisms remain a significant challenge across different regions. In many cases, informal employment and non-compliance with employment regulations continue to be significant issues, hindering the effectiveness of employment contracts in protecting the rights of workers and ensuring fair and decent working conditions.

The findings of this research can be correlated with social theories that examine the role of laws and regulations in shaping employment practices and working conditions. For example, the theory of legal formalism posits that laws and regulations play a significant role in shaping employment practices and working conditions, as they provide the framework for the rights and obligations of workers and employers (Posner, 1986).

According to this theory, stricter laws and regulations can lead to more favorable employment practices and working conditions for workers, while looser laws and regulations can lead to less favorable employment practices and working conditions (Posner, 1986). This aligns with the findings of this research, which show that countries with stricter laws and regulations tend to have more favorable employment contract implementation in the construction sector, with higher rights and obligations for workers, fairer wage payment systems, and higher levels of worker satisfaction.

On the other hand, the theory of legal realists suggests that laws and regulations may not always have a direct impact on employment practices and working conditions, as they can be shaped and interpreted by various actors, such as courts, lawyers, and governments. According to this theory, the effectiveness of laws and regulations in shaping employment practices and working conditions may depend on the enforcement mechanisms in place and the ability of workers to advocate for their rights. This aligns with the findings of this research, which show that the implementation of employment contracts in the construction sector may face challenges such as the lack of compliance with the law and the lack of enforcement mechanisms.

Another legal theory that can be applied to the findings of this research is the theory of critical legal studies, which challenges the traditional view of law as a neutral and objective system of rules and principles. According to this theory, law is a social construct that reflects the interests and values of the dominant groups in a society, and serves to reproduce and legitimize the existing power relations (MacKinnon, 1989).

In the context of employment contracts in the construction sector, the theory of critical legal studies suggests that the laws and regulations in place in each country may reflect the interests and values of the dominant groups, such as the government, employers, and labor unions. These laws and regulations may serve to reproduce and legitimize the existing power relations between workers and employers, and may disproportionately favor the interests of the dominant groups (MacKinnon, 1989).

This theory aligns with the findings of this research, which show that the implementation of employment contracts in the construction sector varies significantly across different countries, and that the laws and regulations in place in each country play a role in shaping these differences. The theory of critical legal studies suggests that these differences may be influenced by the interests and values of the dominant groups in each country and the ways in which the laws and regulations reflect and reproduce these interests and values.

## CONCLUSION

The core of this study has been an in-depth exploration of employment contract enforcement within the construction sector across different countries, with a particular emphasis on construction safety. Our investigation was anchored around the pivotal role of country-specific legal frameworks and their impact on these contract implementations.

Our findings reveal that countries exhibit marked differences in the administration of employment contracts. Key areas of distinction include the entitlements and duties of construction workers, the structure of wage disbursement, and the overall contentment of the employed individuals.

The legal ecosystem in each country, as our research illustrates, is the linchpin affecting these outcomes. In nations with meticulous and rigorous legal regimes, there's a notable uptick in workers' rights, more transparent wage structures, and enhanced worker satisfaction. However, even in these nations, hurdles persist, especially regarding construction safety.

Despite stringent regulations, problems like informal employment, ambiguities in worker classification, and notably, lapses in safety standards, continue to challenge the sector.

Developing nations, with Indonesia, India, and Brazil as notable examples, face a different set of challenges. These largely arise from inefficient enforcement mechanisms, leading to lapses in adherence to established employment and safety standards within construction. Migrant laborers, especially in locales such as Australia and the Gulf Cooperation Council (GCC) regions, grapple with their unique set of challenges, often bordering on exploitation and neglect of safety norms.

The European Union (EU), known for its rigorous employment safeguards, isn't devoid of challenges. The quandary of migrant worker exploitation and occasional overlook of safety standards punctuates the otherwise robust employment landscape in many member states.

This investigation foregrounds the integral nature of employment contracts in the construction industry, and more crucially, the imperativeness of construction safety. It becomes evident that well-crafted and effectively enforced laws are quintessential for the welfare and safety of workers. There's a pressing need for further scholarly exploration to elucidate specific challenges and suggest remedial measures for the construction sector across varied geopolitical landscapes.

## References

### Internet Sources

- 1) Construction Industry Training Board. (n.d.). Who we are. Retrieved from <https://www.citb.co.uk/about-citb/who-we-are/>
- 2) Department of Employment and Labor. (n.d.). The Labor Relations Act, 1995. Retrieved from <http://www.labour.gov.za/DOL/legislation/acts/labor-relations-act-1995>
- 3) Fair Work Ombudsman. (n.d.). The Fair Work Act 2009. Retrieved from <https://www.fairwork.gov.au/how-we-will-help/templates-and-guides/fact-sheets/rights-and-obligations/fair-work-act-2009>
- 4) Gollan, P. (2018). Precarious employment in the UK construction industry. *Construction Management and Economics*, 36(6), 489-500.
- 5) Gov.uk. (2021). Employment rights: The law. Retrieved from <https://www.gov.uk/employment-rights>
- 6) Human Rights Commission (2016). Migrant Workers' Taskforce Report. Retrieved from <https://www.humanrights.gov.au/our-work/rights-and-freedoms/projects/migrant-workers-taskforce-report>
- 7) Human Rights Watch. (2021). Qatar: Kafala system leaves migrant workers vulnerable. Retrieved from <https://www.hrw.org/news/2021/06/16/qatar-kafala-system-leaves-migrant-workers-vulnerable>
- 8) International Labor Organization. (n.d.). Employment contracts. Retrieved from <https://www.ilo.org/global/topics/employment-contracts/lang--en/index.htm>
- 9) International Labour Organization. (2017). World Employment and Social Outlook: Trends 2017. Retrieved from [https://www.ilo.org/weso/publications/WCMS\\_557533/lang--en/index.htm](https://www.ilo.org/weso/publications/WCMS_557533/lang--en/index.htm)
- 10) Ministry of Administrative Development, Labor and Social Affairs. (2021). Employment laws in Qatar. Retrieved from <https://www.mol.gov.qa/en/Pages/employment-laws.aspx>
- 11) Ministry of Economy. (n.d.). Consolidation of Labor Laws (CLT). Retrieved from <https://www.gov.br/mte/en/topics/labor-law/consolidation-of-labor-laws-clt.html>
- 12) Ministry of Employment and Labor. (n.d.). Employment law in South Korea. Retrieved from [http://www.moel.go.kr/eng/eng\\_laborLaw.do](http://www.moel.go.kr/eng/eng_laborLaw.do)
- 13) Ministry of Labor and Social Security. (n.d.). Turkish Labor Law. Retrieved from <https://www.csqb.gov.tr/en-US/Pages/Laws.aspx>
- 14) Ministry of Labour and Employment. (n.d.). Industrial Disputes Act, 1947. Retrieved from [http://labour.gov.in/sites/default/files/ID\\_Act\\_1947.pdf](http://labour.gov.in/sites/default/files/ID_Act_1947.pdf)
- 15) Ministry of Labor. (2021). Employment law in France. Retrieved from <https://travail-emploi.gouv.fr/droit-du-travail>
- 16) Ministry of Labor and Social Policies. (2021). Employment law in Italy. Retrieved from <https://www.governo.it/it/temi/lavoro-e-previdenza>
- 17) Ministry of Social Affairs and Employment. (2021). Employment law in the Netherlands. Retrieved from <https://www.government.nl/topics/labour-law>
- 18) Federal Ministry of Labor and Social Affairs. (2021). Employment law in Germany. Retrieved from <https://www.bmas.de/EN/Topics/Labour-Social-Affairs/Working-Time/index.html>
- 19) Ministry of Labor, Social Affairs, and Families. (2021). Employment law in Spain. Retrieved from <https://www.gob.es/dgs/tramites/es/tramita/tramites/45000236.html>
- 20) Ministry of Manpower. (n.d.). Law of the Republic of Indonesia Number 13 of 2003 concerning Manpower. Retrieved from <https://www.kemnaker.go.id/en/regulation/manpower-law>
- 21) Pew Research Center. (2018). A rising share of Americans say it is hard to afford a home. Retrieved from <https://www.pewresearch.org/fact-tank/2018/09/07/a-rising-share-of-americans-say-it-is-hard-to-afford-a-home/>

- 22) U.S. Department of Labor. (n.d.). The Fair Labor Standards Act (FLSA). Retrieved from <https://www.dol.gov/agencies/whd/flsa>
- 23) University of Sydney (2016). Migrant Workers in the Australian Construction Industry: Vulnerabilities, Exploitation and Discrimination. Retrieved from <https://sydney.edu.au/law/research/centres/bclc/publications/working-papers/migrant-workers-in-the-australian-construction-industry-vulnerabilities-exploitation-and-discrimination.pdf>

### Books & Articles

- 1) Alhojailan, M. I., & Ibrahim, M. (2012). Thematic analysis: A critical review of its process and evaluation. *West east journal of social sciences*, 1(1), 39-47.
- 2) Amnesty International. (2013). The dark side of migration: Spotlight on Qatar's construction sector ahead of the world cup. *Amnesty International*.
- 3) Amnesty International. (2016). *The ugly side of the beautiful game: Exploitation of migrant workers on a Qatar 2022 World Cup site*: Amnesty International.
- 4) Barnard, C. (2012). *EU employment law*: Oxford University Press.
- 5) Bartley, T. (2010). Transnational private regulation in practice: The limits of forest and labor standards certification in Indonesia. *Business and Politics*, 12(3), 1-34.
- 6) Bernhardt, A. D. (2008). *The gloves-off economy: Workplace standards at the bottom of America's labor market*. Cornell University Press.
- 7) Buckley, M., Zendel, A., Biggar, J., Frederiksen, L., & Wells, J. (2016). Migrant work & employment in the construction sector. *International Labour Organization*.
- 8) Chiang, Y.-H. (2009). Subcontracting and its ramifications: A survey of the building industry in Hong Kong. *International Journal of Project Management*, 27(1), 80-88.
- 9) Chih, Y.-Y., Kiazad, K., Zhou, L., Capezio, A., Li, M., & D. Restubog, S. L. (2016). Investigating employee turnover in the construction industry: A psychological contract perspective. *Journal of construction engineering and management*, 142(6), 04016006.
- 10) Clarke, L. (1992). *The building labour process: problems of skills, training and employment in the British construction industry in the 1980s*: Chartered Institute of Building.
- 11) Cuevas, S., Rosario, A., Barcenas, M. L., & Christian, M. (2009). Informal employment in Indonesia. *Asian Development Bank Economics Working Paper Series*(156).
- 12) David, R., & Brierley, J. E. (1978). *Major legal systems in the world today: an introduction to the comparative study of law*: Simon and Schuster.
- 13) Dawson, C., Veliziotis, M., & Hopkins, B. (2017). Temporary employment, job satisfaction and subjective well-being. *Economic and industrial democracy*, 38(1), 69-98.
- 14) Diop, A., Le, K. T., & Ewers, M. C. (2016). Working and living conditions of migrant workers in the GCC. In *India Migration Report 2016* (pp. 97-111): Routledge India.
- 15) Druker, J., & Croucher, R. (2000). National collective bargaining and employment flexibility in the European building and civil engineering industries. *Construction Management and Economics*, 18(6), 699-709.
- 16) Frangi, L., Zhang, T., & Banerjee, R. (2021). Constructing inequalities: tenure trajectories of immigrant workers and union strategies in the milan construction sector. *British Journal of Industrial Relations*, 59(2), 474-502.
- 17) Güzey, Ö. (2009). Urban regeneration and increased competitive power: Ankara in an era of globalization. *Cities*, 26(1), 27-37.
- 18) Hardgrove, A., McDowell, L., & Rootham, E. (2015). Precarious lives, precarious labour: family support and young men's transitions to work in the UK. *Journal of Youth Studies*, 18(8), 1057-1076.
- 19) Hinze, J. (1997). *Construction safety*: Prentice Hall.

- 20) Hoque, M. E., & Zaidi, M. A. S. (2020). Global and country-specific geopolitical risk uncertainty and stock return of fragile emerging economies. *Borsa Istanbul Review*, 20(3), 197-213.
- 21) Jon, J.-E., Lee, J. J., & Byun, K. (2014). The emergence of a regional hub: Comparing international student choices and experiences in South Korea. *Higher Education*, 67, 691-710.
- 22) Kapur, D., & Nangia, P. (2015). Social protection in India: A welfare state sans public goods? *India Review*, 14(1), 73-90.
- 23) Koranyi, I., Jonsson, J., Rönblad, T., Stockfelt, L., & Bodin, T. (2018). Precarious employment and occupational accidents and injuries—a systematic review. *Scandinavian journal of work, environment & health*, 44(4), 341-350.
- 24) Kreshpaj, B., Orellana, C., Burström, B., Davis, L., Hemmingsson, T., Johansson, G., . . . Bodin, T. (2020). What is precarious employment? A systematic review of definitions and operationalizations from quantitative and qualitative studies. *Scandinavian journal of work, environment & health*, 46(3), 235-247.
- 25) Libman, A. (2016). Supranational organizations: Russia and the Eurasian economic union. In *Autocratic and democratic external influences in Post-Soviet Eurasia* (pp. 133-158): Routledge.
- 26) Loosemore, M., & Andonakis, N. (2007). Barriers to implementing OHS reforms—The experiences of small subcontractors in the Australian Construction Industry. *International Journal of Project Management*, 25(6), 579-588.
- 27) Machfudiyanto, R. A., & Latief, Y. (2017). *A conceptual framework to development of construction safety culture in Indonesia*. Paper presented at the IOP Conference Series: Earth and Environmental Science.
- 28) MacKinnon, C. A. (1989). *Toward a feminist theory of the state*: Harvard University Press.
- 29) Manullang, S. O. (2022). Indonesian law and human rights expert's view on the constitutional court's decision against the manpower law from the omnibus law. *Linguistics and Culture Review*, 6(S5), 1-14.
- 30) Meardi, G., Martin, A., & Riera, M. L. (2012). Constructing uncertainty: Unions and migrant labour in construction in Spain and the UK. *Journal of Industrial Relations*, 54(1), 5-21.
- 31) Mosley, L., & Uno, S. (2007). Racing to the bottom or climbing to the top? Economic globalization and collective labor rights. *Comparative Political Studies*, 40(8), 923-948.
- 32) Nam, J. S., & Kim, S. Y. (2019). Decent work in South Korea: Context, conceptualization, and assessment. *Journal of Vocational Behavior*, 115, 103309.
- 33) Olsthoorn, M. (2014). Measuring precarious employment: A proposal for two indicators of precarious employment based on set-theory and tested with Dutch labor market-data. *Social Indicators Research*, 119, 421-441.
- 34) Padrosa, E., Belvis, F., Benach, J., & Julià, M. (2021). Measuring precarious employment in the European Working Conditions Survey: psychometric properties and construct validity in Spain. *Quality & quantity*, 55(2), 543-562.
- 35) Peck, J. (1996). *Work-place: The social regulation of labor markets*: Guilford Press.
- 36) Pedriana, N., & Stryker, R. (1997). Political culture wars 1960s style: equal employment opportunity—affirmative action law and the Philadelphia Plan. *American Journal of Sociology*, 103(3), 633-691.
- 37) Portes, A., & Haller, W. (2010). 18 The Informal Economy. *The handbook of economic sociology*, 403.
- 38) Posner, R. A. (1986). Legal formalism, legal realism, and the interpretation of statutes and the constitution. *Case W. Res. L. Rev.*, 37, 179.
- 39) Rocha, L. E., & Debert-Ribeiro, M. (2004). Working conditions, visual fatigue, and mental health among systems analysts in Sao Paulo, Brazil. *Occupational and Environmental Medicine*, 61(1), 24-32.

- 40) Schulten, T., & Schulze-Buschoff, K. (2015). *Sector-level strategies against precarious employment in Germany: evidence from construction, commercial cleaning, hospitals and temporary agency work*. Retrieved from
- 41) Shin, K.-Y. (2013). Economic crisis, neoliberal reforms, and the rise of precarious work in South Korea. *American Behavioral Scientist*, 57(3), 335-353.
- 42) Srivastava, R. S. (2005). Bonded labor in India: Its incidence and pattern.
- 43) Sun, Z., & Chen, J. (2017). Global city and precarious work of migrants in China: A survey of seven cities. *Urban Geography*, 38(10), 1479-1496.
- 44) Tam, C. M., Zeng, S., & Deng, Z. (2004). Identifying elements of poor construction safety management in China. *Safety science*, 42(7), 569-586.
- 45) Teizer, J. (2015). Status quo and open challenges in vision-based sensing and tracking of temporary resources on infrastructure construction sites. *Advanced Engineering Informatics*, 29(2), 225-238.
- 46) Theodore, N., Blaauw, D., Schenck, C., Valenzuela Jr, A., Schoeman, C., & Meléndez, E. (2015). Day labor, informality and vulnerability in South Africa and the United States. *International Journal of Manpower*, 36(6), 807-823.
- 47) Towe, E. (2022). A Country Prospering on Abuse: Migrant Worker Exploitation and Labor Reform in Qatar.
- 48) Underhill, E., & Rimmer, M. (2016). Layered vulnerability: Temporary migrants in Australian horticulture. *Journal of Industrial Relations*, 58(5), 608-626.
- 49) Wellington, D. T., & Mpendulo, M. (2008). Current challenges and problems facing small and medium size contractors in Swaziland. *African Journal of Business Management*, 2(5), 093-098.
- 50) Wells, J. (2007). Informality in the construction sector in developing countries. *Construction Management and Economics*, 25(1), 87-93.