

# The ILO approach to Fair Recruitment



## ▶ Outline of the session

- ▶ Recruitment context
- ▶ What is fair recruitment and its benefits?
- ▶ ILO General principles and operational guidelines on fair recruitment
- ▶ Definition of recruitment fees and related costs
- ▶ Emerging good practices



- ➤ **Recruitment** is one of the major functions of the labour market.
- Employers broadly have three strategies to recruit workers:
  - Directly
  - Through public employment services
  - **Through private intermediaries**
- International recruitment is affected by immigration regulations; fragmented labour market information; many more job seekers than jobs; weak enforcement of laws.
- Women migrant workers may face restrictions

# Common forms of recruitment abuses

## Pre-departure

- ▶ **Illegal recruitment fees and related costs, and corruption.**
- ▶ Debts and high interest rates.
- ▶ Deception and fraud

## In destination

- ▶ Contract substitution.
- ▶ Retention of passports or travel documents.
- ▶ Non-payment and deduction of wages/wage theft.
- ▶ Debt bondage linked to repayment of recruitment fees and costs.
- ▶ Threats if workers want to leave their employers, coupled with fears of subsequent arrest, expulsion or deportation from the country of employment.
- ▶ Workers are tied to the employers through their work permits and restrictions on employer changes



# High recruitment costs

5

- **Bangladesh to Malaysia cost of migration survey (2020)**
  - Recruitment cost: **US\$ 4,789**
  - Mean monthly earnings: **US\$ 283**
  - Equivalent months in earnings: **16.9 months**
  
- **Vietnam pilot survey (2019)**
  - Recruitment cost: **US\$ 6,543**
  - Average earnings **US\$ 893**
  - Equivalent months in earnings: **7.4 months**
  
- **Thailand survey (2020)**
  - Recruitment cost: **US\$ 461** (Cam US\$ 517, Lao US\$503, Myanmar US\$ 394)
  - Average monthly earnings: **US\$ 240**
  - Equivalent months in earnings: **2 months**



# What are the benefits of fair recruitment?

## ► For workers:

- Access to decent work
- Transparency
- Reduces recruitment debt
- Understanding of employment contract, working conditions
- Increased net earnings

## ► For employers and recruitment agencies:

- Better job- skill matching
- Efficiency
- Productivity gains and staff retention
- Regulatory and cost transparency
- Protects against reputational risk
- Professionalization of the industry

## ► For governments:

- Enabling labour market functioning
- Policy and regulatory clarity
- Protection of workers
- Development contributions made by migrant workers

## ► **ILO Fair recruitment initiative &**

## **ILO General principles and operational guidelines for fair recruitment**

# The ILO and fair recruitment

- ▶ In 2014, the ILO established the **Fair Recruitment Initiative** to respond to the growing concern of unscrupulous recruitment practices of employment agencies, informal labour intermediaries and other operators acting outside the legal framework.
- ▶ **ILO General principles and operational guidelines for fair recruitment (2016).**
- ▶ **ILO Definition of recruitment fees and related costs (2019).**
- ▶ **International Labour Standards** on recruitment:
  - Migration for Employment Convention (Revised), 1949 (No.97)
  - Migrant Workers (Supplementary Provision) Convention, 1975 (No.143)
  - Employment Services Convention, 1948 (No.88)
  - **Private Employment Agencies Convention, 1997 (No. 181) Ratified by Japan in July 1999**
- ▶ UN Guiding Principles on Business and Human Rights (2011); various UN Conventions; and private sector tools and initiatives.



## General principles on fair recruitment



1  RESPECT FOR HUMAN AND LABOUR RIGHTS	2  RESPOND TO ESTABLISHED LABOUR MARKET NEEDS AND PROMOTE DECENT WORK	3  RECRUITMENT LAWS AND POLICIES THAT APPLY TO ALL
4  EFFICIENCY, TRANSPARENCY AND PROTECTION OF WORKERS	5  ENFORCE RECRUITMENT REGULATIONS THROUGH LABOUR INSPECTION	6  RESPECT AND ENFORCEMENT OF NATIONAL LAWS AND COLLECTIVE AGREEMENTS
7  NO RECRUITMENT FEES AND COSTS ARE CHARGED TO WORKERS	8  CLEAR AND TRANSPARENT EMPLOYMENT CONTRACTS	9  WORKERS' FREEDOM FROM DECEPTION AND COERCION
10  ACCESS TO FREE, COMPREHENSIVE AND ACCURATE INFORMATION	11  FREEDOM OF MOVEMENT AND NO RETENTION OF IDENTITY DOCUMENTS	12  FREEDOM TO TERMINATE CONTRACT, CHANGE EMPLOYER, AND SAFELY RETURN
13  ACCESS TO FREE DISPUTE RESOLUTION AND EFFECTIVE REMEDIES	<h3>+ Operational Guidelines</h3> <p>Responsibilities of government, recruitment agencies and public employment services, and possible interventions and policy tools.</p>	

## A. Recruitment fees

- payments for **recruitment services offered by labour recruiters (public or private)** or payments made in the case of **direct recruitment** by the employer
- E.g. advertising, disseminating information, arranging interviews, submitting documents for government clearances etc.

## B. Related costs (next slide)

## C. Illicit costs

- Bribes, Extortion or kickback payments, Bonds...

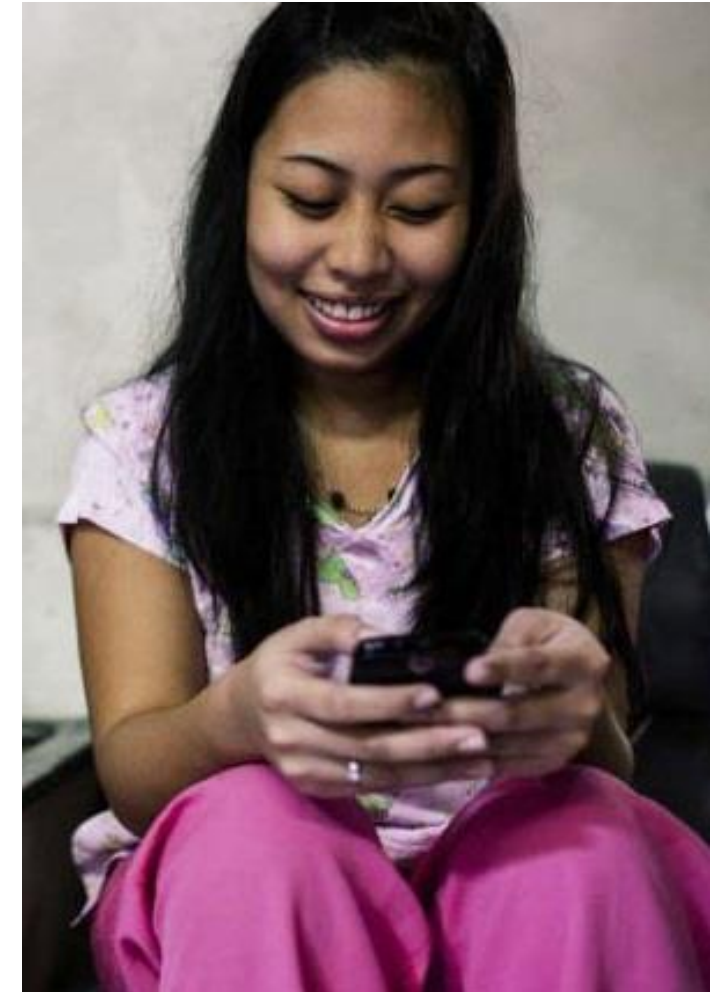


- ▶ When **initiated** by an employer, labour recruiter or an agent acting on behalf of those parties; **required** to secure access to employment or placement; or **imposed** during the recruitment process, the following costs should be considered related to the recruitment process:
  - i. **Medical costs;**
  - ii. **Insurance costs;**
  - iii. **Costs for skills and qualification tests;**
  - iv. **Costs for training and orientation;**
  - v. **Equipment costs;**
  - vi. **Travel and lodging costs; and**
  - vii. **Administrative costs.**
- ▶ Competent authority has flexibility to determine **exceptions**:
  - Requires consultation of workers and employers.
  - Need to be the interest of the workers; limited to certain categories of workers and types of services; and disclosed to the worker before the job is accepted.

# ► Emerging good practices

## Government action

- ▶ **Ratification** of C181 by Japan, Fiji and Mongolia in the region
- ▶ **National legislation regulating the charging of recruitment fees to migrant workers** has been adopted e.g. in Ethiopia, Jordan, Indonesia, Lebanon, Nepal, Qatar, Saudi Arabia, Thailand, the United Arab Emirates and Viet Nam.
- ▶ In the **Philippines** domestic workers; seafarers; and those performing artists and entertainers who are bound for Japan are not required to pay placement fees.
- ▶ **Sri Lanka** legislates zero fees and costs for domestic workers.
- ▶ In the **Australian** and **New Zealand** seasonal worker programs recruitment costs are borne by employers.



► **Thank You!**