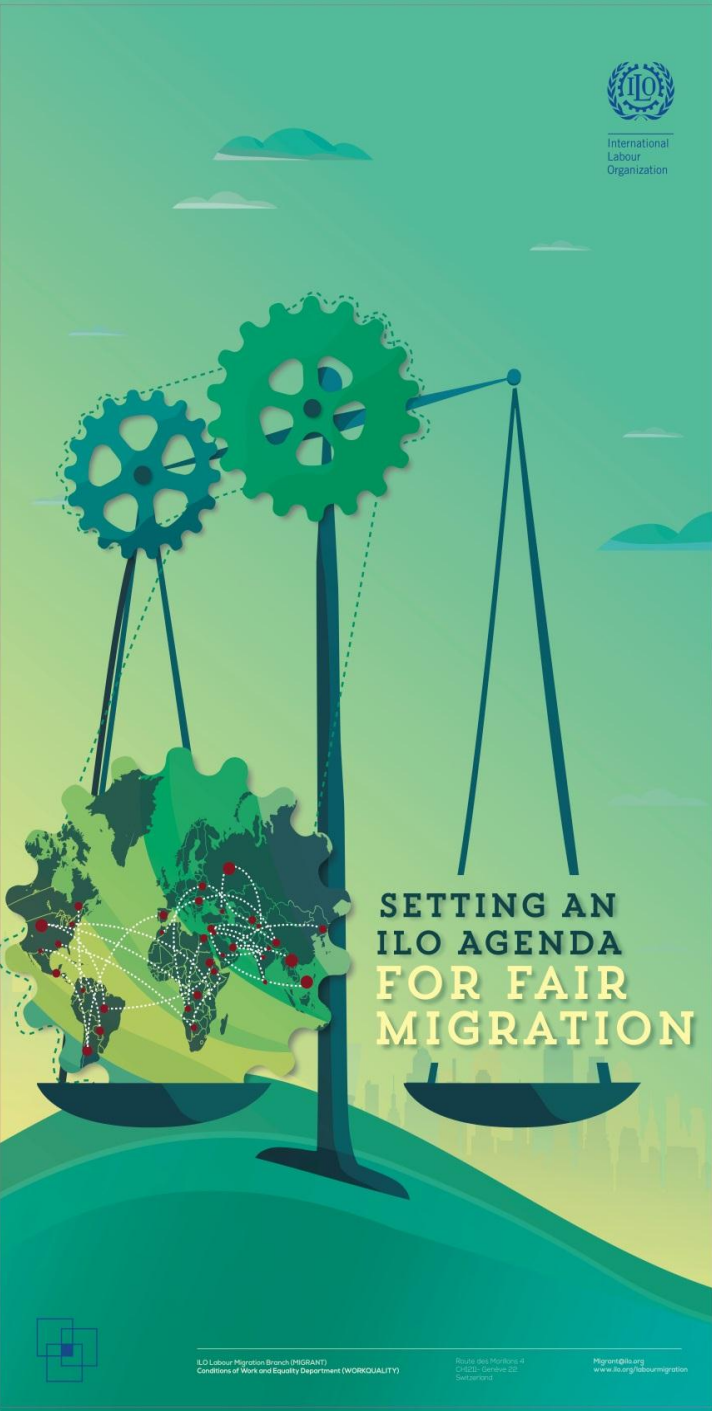


Exploring alternative models in Recruitment

Abu Dhabi Dialogue High Level Official's Meeting
11 – 12 May 2016
Dubai, United Arab Emirates

Regional Office for Arab States
Regional Office for Asia and the Pacific
International Labour Organization



SETTING AN
ILO AGENDA
**FOR FAIR
MIGRATION**

Outline of presentation

1. Labour migration landscape in Asia
2. Key questions for discussion on recruitment - ILO Fair Migration Agenda (Kathmandu Dec. 2014)
3. Alternative Recruitment Models
 - 3.1 *No Fee* Private Recruiters
 - 3.2 Government-to-Government
 - 3.3 Direct Recruitment by Accredited Employer
 - 3.4 E-based recruitment
 - 3.5 Joint liability
4. Concluding Remarks



1. Labour migration landscape in Asia

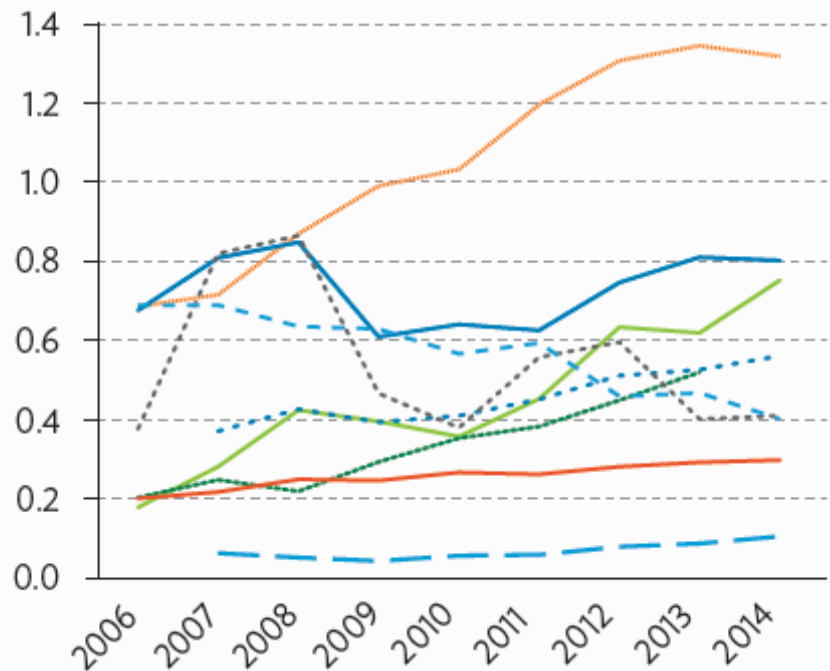
- Labour migration largely occurs under temporary migration regimes and for less skilled work. Migrants often fill jobs unattractive to nationals and some occupations are highly gendered.
- Asia is also an important source region for skilled workers (in particular China, India and the Philippines). In 2013 3 out of 10 new immigrants to the OECD came from Asia.
- GCC countries received 72% of the labour flows in 2014
- The region is marked by **substantial remittance inflows**. There were five Asian countries among the top 10 remittance receiving countries in 2015 (forecast, World Bank, 2016).
- Three GCC countries were among the **top 10 remittance sending countries** in 2014: Saudi Arabia (36.9 billion), UAE (19.3 billion), Kuwait (18.1 billion) (World Bank, 2016).
- Among the **top remittance corridors** in 2014: UAE to India (13.2 billion) and Saudi Arabia to India (11.0 billion) (World Bank, 2016).



Outflows of workers from selected Asian countries, 2006-2014

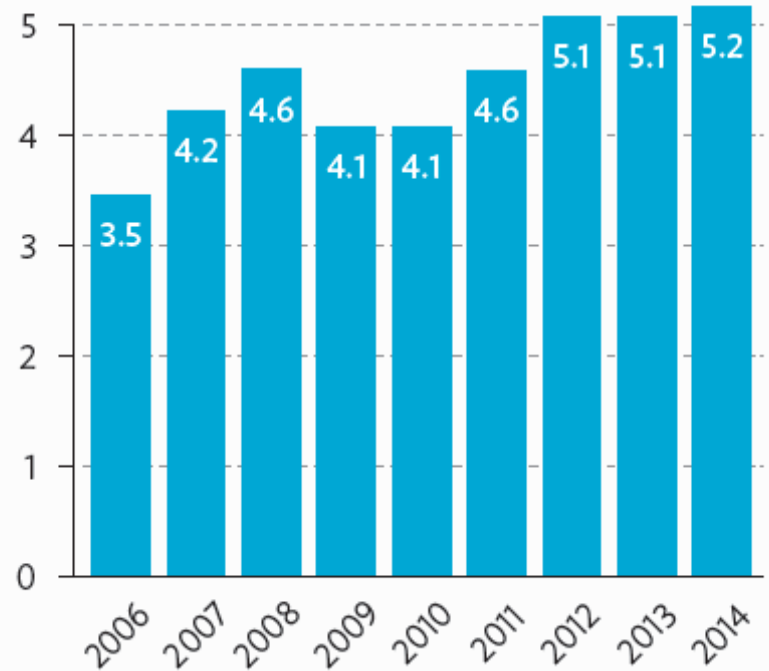
Panel A
Selected countries of origin

Millions



Panel B
Total

Millions



- Philippines
- India
- Pakistan
- - - Bangladesh
- - - Indonesia
- - - Sri Lanka
- - - People's Republic of China
- - - Viet Nam
- Nepal



Source: National authorities. ADBI-OECD-ILO, 2016.

Recruitment

ILO Fair Migration Agenda (Kathmandu Dec. 2014)

1. How to achieve coherence in laws between origin and destination countries, legislative changes and effective enforcement of laws?
2. ***What needs to be done for a fair recruitment system that efficiently matches jobs to job-seekers, eliminates worker fees and labour exploitation, and reduces migration cost?***
3. How to achieve participation of social partners and greater involvement of business in fair recruitment?
4. What measures can be taken to **increase recruitment options** and empowerment of migrant workers?



Recruitment Costs

Renewed interest in ethical and fair recruitment on the basis of **ILO Convention 181** – which means no fees to the worker

Project tendering – beginning of labour demand: competitive projects lacks transparency in relation to recruitment costs (Jureidini, 2016)

Payment driving recruitment more than skills and shortages

Fair recruitment is affected by immigration regulations and visa trading

Standard methodology to measure migration economic costs (World Bank/ILO).



Migration Cost Surveys (ILO)

Vietnamese workers in Malaysia

- Most of the workers earned between USD 300 to USD 499 per month
- The mean total expenditure paid by Vietnamese workers to work in Malaysia is USD 1,367.
- This means it takes workers **2.7 - 4.5 months' salary to pay back their migration cost**

Pakistani workers in UAE and KSA

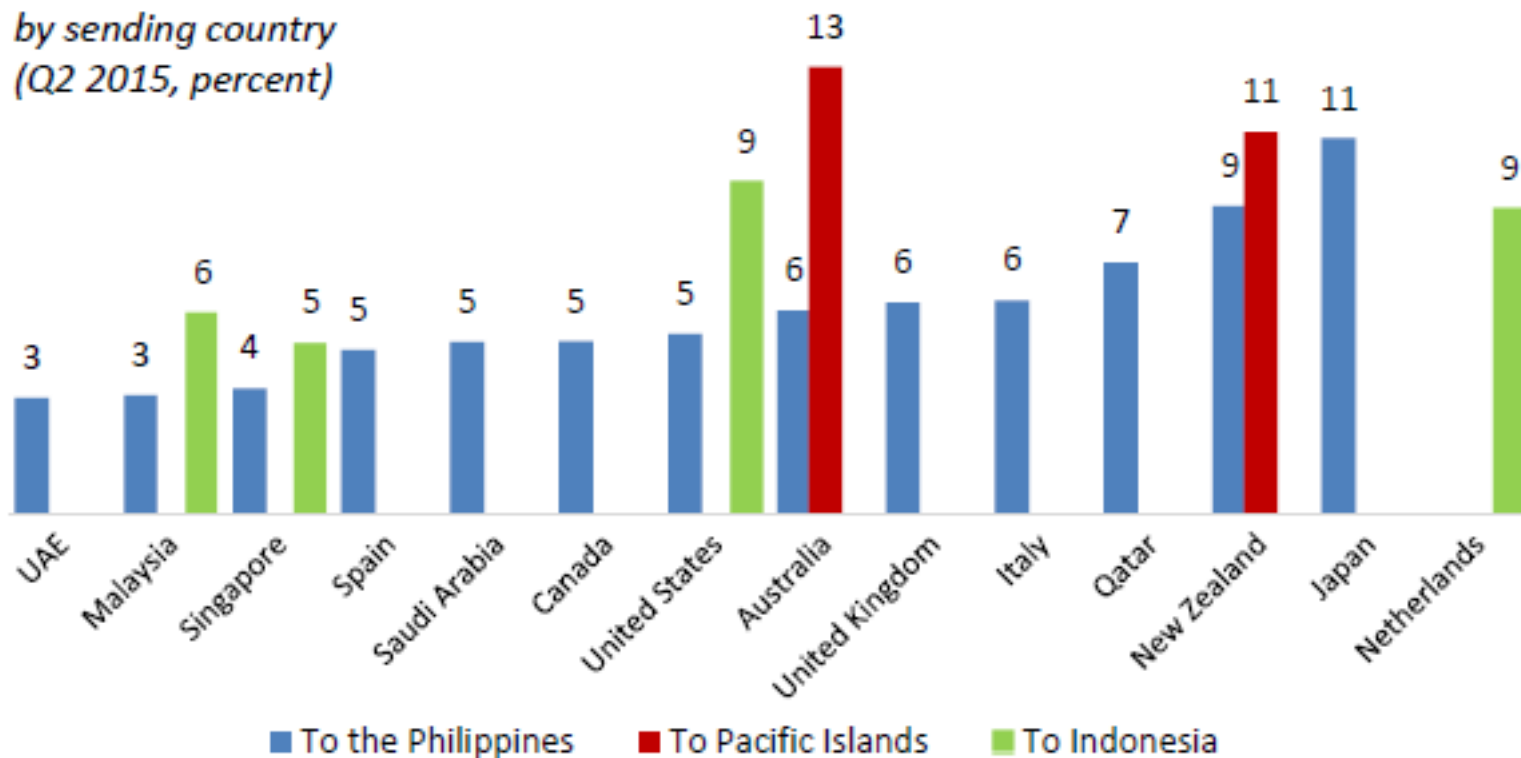
- The median total migration costs is **USD3,100 for 24-month contracts**: a median **USD2,300 for visa costs**, a median **USD350 for international transportation**, **USD245 for agent costs**. In terms of months of earning abroad after deductions the cost is **7-9 months' salary**.



Remittance Costs

Figure A3: Costs of sending \$200 are the highest in Pacific Island countries

*by sending country
(Q2 2015, percent)*



Source: Remittance Prices Worldwide, the World Bank.



Source: World Bank (2015): Migration and Development Brief 25:
Migration and Remittances

3. Alternative Recruitment Models

3.1 No Fee Private Recruiters

- Hiring of Filipino seafarers
- ASPROE (Association for Professionalism in Overseas Emp) and Society of HK accredited recruiters (Philippines) SHARP
- Members of the International Confederation of Private Employment Agencies (CIETT)

However few are working with low skilled workers (exception above is SHARP consisting of 52 licenced recruiters)



3.2 Government-to-Government

EPS of ROK is a G to G labour recruitment program based on mandatory MOUs with 15 Asian countries and open to SMEs in Korea in construction, manufacturing, agriculture and services.

2015: 51,019 workers admitted.

EPS has reduced migration cost from USD3500 to USD927 b/w 2002 and 2011 (Kyung, 2013)

Bangladesh / Malaysia – Plantation sector (palm oil)

MOU in Nov 2012. Quota of 10,000 workers. As of June 7616 workers were placed. Costs reduced from USD 3000-4000 to USD 400 (Ministry of Human Resources, Malaysia).



3.3 Direct Recruitment by Accredited Employer

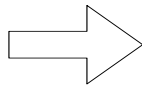
3.3.1. New Zealand: Recognized Seasonal Employers Scheme (RSE)

(up to 9,000 places available per year)

Four Distinct Stages

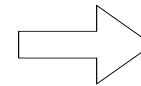
STEP 1: Recognised Seasonal Employer (RSE)

Employer applies for recognition as an RSE.



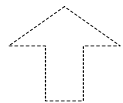
STEP 2: Agreement to Recruit (ATR)

Employer with RSE status applies for an agreement to recruit a specified number of workers from a specified source country.

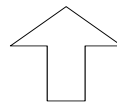


STEP 3: Visa application

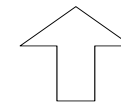
Prospective **employee** with an offer of employment linked to an ATR applies for a visa offshore.



Work-ready pool



Community-based recruitment



STEP 4: Following Season

Option for the overseas worker to return to NZ next season if conditions are met



Source: van Beek, Jerf (2011): Recognized Seasonal Employers Scheme (RSE). Presentation.

3.4 E-based recruitment

Minimizes the number of intermediaries involved.

The more the number of intermediaries, the more there is a risk of fraudulent practices to the detriment of all.

Examples:

1. **EURES**: a jobs portal and cooperation network to facilitate free movement of workers within the EU 28 countries plus Switzerland, Iceland, Liechtenstein and Norway. 1000 EURES advisors who maintain daily contact with employees and employers. Partners include Public Employment Services (PES), Private employment services (PRES), trade unions, employers' organisations (EURES website).
✓ good example of a comprehensive labour market information system for effective job matching used by employers and workers. However costly to run.
2. **NAUKRI.COM**: an online job website in India with a database of 41 million registered jobseekers' resumes; and **NAUKRIGULF.COM** that focuses on the vacancies in the GCC states.



3.5 Joint Liability

Making lead contractors liable for recruitment abuses in their supply chains (legislation in UK, EU and US)

Manitoba Worker Recruitment & Protection Act (WRAPA): Employers are liable for recruitment fees charged to workers. (Fees and recovery of fees are banned).

Gangmaster Licensing Authority (GLA), UK: requires origin country recruitment agencies “to also apply for a license with GLA and comply with its terms and conditions” (ILO, 2015).

Should RAs in origin countries be approved and accredited in GCC countries?



4. Concluding Remarks

Pointers for future work on Fair Recruitment

- a) Coherence in laws and enforcement
 - Model legislation
 - Domestic workers
- b) How do we improve the flow of information jobs available in destination countries? LMIS systems need to be strengthened, in the best interest of all parties
- c) Research on alternative recruitment models; on regulation of recruitment and enforcement models
- d) Achieving zero fees to workers



Thank you

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