



POLICY BRIEF 6

REGULATING THE RECRUITMENT INDUSTRY THROUGH INCENTIVES: POEA AWARDS FOR RECRUITMENT AGENCIES

Executive Summary

The Philippine Overseas Employment Administration (POEA) established the “*Agency Performance Awards*” in 1984, two years after its creation in 1982, as an incentive scheme to recruitment agencies for their compliance with regulations. Over 30 years, the POEA awards expanded to three categories. An assessment of the stakeholders’ perspectives on the objectives, design, processes and relevance of the awards may provide valuable insights on how to increase the impact of the awards scheme. This policy brief calls on the ways to improve the POEA awards based on the assessment results. While stakeholders uphold the principles underlying the awards, they pointed out the limitations and suggested improvements to enhance the awards’ relevance to current directions in ethical recruitment and migration governance.

Introduction

The Philippines has become a source country of migrant workers, mainly to the Middle East, Europe and the United States, among others. With the increasing outflows of professionals and workers since the 1970s, the Philippines created the Philippine Overseas Employment Administration (POEA) in 1982. The Migrant Workers and Overseas Filipinos Act enacted in 1995 (RA 8042) and amended in 2009 (RA 10022) guides the current recruitment process.

Filipino migrant workers gain access to foreign employment through the channels of private recruitment agencies, bilateral arrangements and agreements, or direct hiring by foreign employers. As private sector entities, recruitment agencies form an industry that links the supply of labour from a country to the demand for it in another one. In the process, certain practices of recruitment agencies have been inimical to the rights of migrants in their destination countries. Accounts of some migrants’ ill fate, reported through various media and documented through researches traced their situation to unscrupulous practices of recruitment agencies.

In 1984, two years after its establishment, POEA launched the “*Agency Performance Awards*” as an incentive strategy for recruitment agencies to promote compliance with regulations. The scheme is linked to POEA’s evaluation of agency performance in connection with the agencies’ license renewal.

Since its inception, it was solely implemented by the POEA, with the Licensing and Regulation Office taking the lead. In the last three decades, save for some changes in the frequency of the evaluation period, award categories and the expansion of incentives, many aspects of the award system have remained the same (Asis and Go 2013). The awards motivated the awardees and other recruitment agencies to improve the quality of their services. However, not many know about the awards. Migrants and migrants advocacy groups such as trade unions have not been invited to participate in the awards assessment process. Improving the awards system is much needed to be currently relevant to ethical recruitment, migration management and governance.

The “*Assessment of the POEA Agency Performance Awards*”, conducted by the Scalabrini Migration Center (Asis and Go 2013), commissioned by the

International Labour Organization and its European Union- funded *Decent Work Across Borders* project examined the awards as perceived by recruitment agencies, industry associations, migrants, trade unions and professional associations.

The policy brief calls attention to the ways by which the giving of awards may be improved, based on the assessment study. The stakeholders examined the awards' objectives, design, processes and relevance. While there is consensus on the value of incentives, the awards may be improved in many aspects for greater positive impact on the recruitment industry.

Ethical recruitment is necessary for the promotion and protection of migrants' rights. Philippine based recruitment agencies continue to be active in the dynamic global labour market and are important links in ethical recruitment between migrants and employers.

Approach and Results

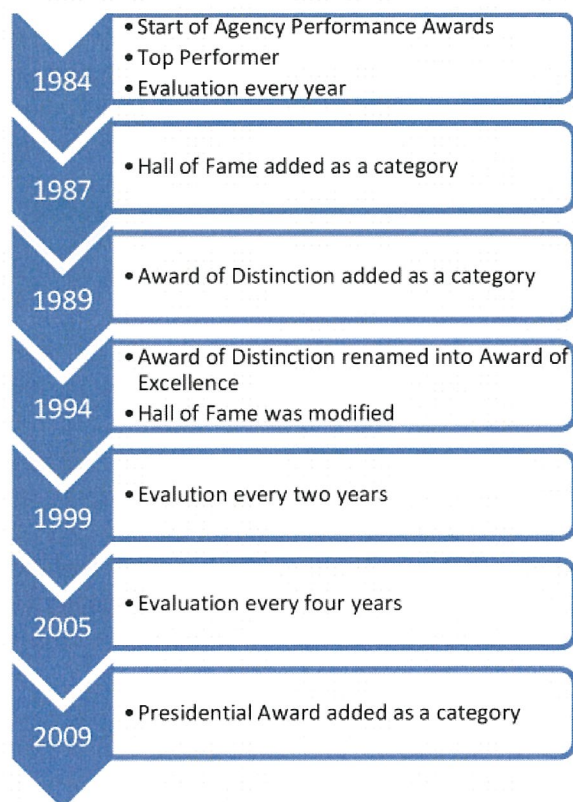
From August to September 2013, the research team reviewed literature and conducted interviews and group discussions with 27 migrants and 40 individual stakeholders from stakeholders groups. The migrants, having returned to the Philippines, included a mix of land based and sea based workers, with first time or multiple experiences working abroad. The stakeholders included: land-based and sea-based recruitment agencies, industry associations and POEA awardees in year 2009, government agencies, trade unions, civil society organizations and international organizations. The validation workshop gathered 50 participants representing government, private recruitment agencies, professional organizations, trade unions and non-government organizations.

Awards Categories

As defined in the ILO Private Employment Agencies Convention, 1977 (No. 181), private recruitment agencies are natural or legal personalities, independent of public authorities that provide labour market services. More than a thousand licensed agencies existed in 1982 at the time of the POEA's creation, compared to 19 in 1972.

The POEA launched the awards in 1984, with the International Labour Organization recognizing the scheme as "good practice" in 2006. Other migrants' source countries followed the example. Currently, the scheme includes three awards: 1) the "Top Performer" as the initial award; and the "Hall of Fame award" for three-time Top Performer recipients; (2) the "Award of Excellence", formerly the "Award of Distinction" for three-time recipients of the Top Performer Award; and (3) the "Presidential Award of Excellence" for five-time recipients of the Excellence Award. POEA also recognizes agencies for exemplary performance, such as for assistance in crisis situations and workers displacement. (Figure 1).

Figure 1. Evolution of POEA awards



Source: SMC 2014

POEA Assessment criteria include:

- Deployment - volume and quality of deployment during the period under review
- Technical capability- management and recruitment capability

- Compliance- with laws, rules, regulation and policies on overseas recruitment; welfare programs and allied services.
- Industry leadership- pioneering achievement in the entry to new or emerging markets, contribution to development & formulation of policies on the overseas employment program.
- Social awareness and responsibility –socio-economic and civic programs/projects in coordination with government or private entities/organizations.

Each indicator is weighted indicating the importance of some indicators over others.

Three basic essential requirements open the door for any agency to be considered for an award: (1) no record of cancellation, reversal of cancellation, suspension of license, documentary suspension or failure to comply with POEA rules; (2) number of complainants in pending recruitment violation cases limited to one per cent of total deployed workers; and (3) agency deployment of at least 1,000 during period of review.

In terms of benefits, the Presidential awardees obtain the longest license validity for three full terms or 12 years. The Excellence awardees are provided for a license to operate valid for eight years and the Top Performer awardees obtain a four-year license. This privilege may be withdrawn in case the awardees incur violations.

From 1984 to 2009, POEA conducted 19 agency performance awards. A total of 179 recruitment agencies received recognition, of which 108 were land-based and 71 sea-based.

Stakeholders' views

Taking a positive perspective, some recruitment agencies were inspired to perform better and continued to render quality services. Recipients found the awards meaningful and beneficial to their business.

On the negative side, some stakeholders observed that information dissemination is inadequate about the scheme - many lacking awareness of the periodic evaluation, the awards and its criteria. The awards are misconstrued as merely directed at

deployment practices, not at ethical recruitment. Some questioned the choice of awardees given that some agencies had committed violations where as others had a minimal influence and impact in the industry. Being least informed of the awards, migrant workers recalled their own negative experiences, as well as those of others, arising from the recruitment agencies' practices. Despite some misgivings, the stakeholders considered it worthwhile to continue the POEA awards for recruitment agencies. However, as a way for improvement, the system should be reviewed, including an assessment of the objectives, criteria, categories, selection process and overall assessment process. New awards categories could be introduced, for example one reflecting the specificities of the recruitment of health professionals.

POEA is urged to exert efforts in raising the recruitment industry's awareness about the awards. Migrants' and migrants' advocacy organizations including trade unions would lobby for their inclusion and participation in the assessment process.

Conclusions

The assessment findings indicate the stakeholders' consensus on the continuity of the POEA awards, considering the merits of its underlying principles. The Philippine government's strategy of incentives has motivated Philippine-based recruitment agencies, awardees and non-awardees, to move toward ethical behaviors though still limited in scope.

Improvement to the awards scheme would generate greater impact. Positive and negative recruitment practices call for corresponding recognition and sanction. Stakeholders clamor for their participation in the award process to promote interaction and ensure the integrity and impact of the awards.

Implications and Recommendations

Inadequate information and lack of transparency in the POEA performance awards negatively affect the integrity of the awards. Properly recognized,

deserving recruitment agencies may be looked upon for leadership, influence and impact in the recruitment industry. More visibility on the scheme may induce migrant workers to look for the awarded agencies, when in need of recruitment services. Improving the awards system and processes is a way to encourage voluntary self-regulation among the recruitment agencies, which can strengthen Philippine compliance with ethical recruitment.

This policy brief calls on the POEA as the responsible government agency for labour migration. Recommendations stemming from the report include:

- Raising awareness, generating feedback and widening of the field of nominees by vigorous and far reaching information dissemination.
- Engaging in a participatory multi-stakeholders approach to contribute to the awards

assessment. They can further generate information and monitor recruitment practices. Trade unions can serve as information dissemination channels on the experiences of its migrant members.

- Introducing new categories of awards to cover recent concerns, such as for recruitment agencies focusing primarily on migrants' needs, not primarily those of the employers and providing a wide range of services to migrants, or new categories for those recruiting skilled migrants.

Main Reference:

Asis, Maruja and Go, Stella and the Scalabrini Migration Center. 2014. *An Assessment of the Philippine Overseas Employment Administration (POEA) Agency Performance Awards*. International Labour Organization - Decent Work Across Borders Project. 101 pages.

About the Decent Work Across Borders project

In 2011, the European Union awarded the International Labour Organization (ILO) funds to implement a three-year project on the issue of circular migration. The ILO Decent Work Across Borders project: A Pilot project for Migrant Health Professionals and Skilled Workers sought to better understand schemes in line with circular migration of health professionals. Through this project, the ILO sought to facilitate an approach to migration that benefits the migrant workers, the source and destination countries within a rights-based framework for labour migration governance. The project focused its activities on three Asian countries concerned with the outflows of health professionals and skilled workers for foreign employment, namely the Philippines, India and to a lesser degree, Viet Nam.

http://www.ilo.org/manila/info/public/pr/WCMS_173607/lang--en/index.htm

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