

Open Working Group on Labour Migration & Recruitment

Background Document Online Discussion #2: Recruitment Fees

Context

Prospective migrants typically pay recruitment fees to employment agencies and/or brokers to secure a job abroad. Recruitment fees are said to cover a variety of costs, including passports, visas, travel, medical exams, and pre-departure seminars. Sub-agents contracted by recruitment agencies are also reported to charge recruitment fees to prospective migrants, although these fees are far more difficult to quantify and regulate due to the informal nature of the operations of many sub-agents.

In order to pay recruitment fees, prospective migrants often borrow money, whether from relatives or friends, individual brokers, or banks. Loans are sometimes repaid directly through salary deductions. Borrowing can also lead to high interest rates, increasing the cost of migration. Loan repayments can place migrant workers in situations of debt bondage. Failure to repay their debts has severe personal and social consequences, especially if the money was borrowed from unscrupulous lenders or if family assets have been leveraged as collateral. The migrant's situation ultimately worsens with the added burden and pressure to repay the debt.

The accumulated debt and the worker's urgent need to repay it adds to the migrant's vulnerable situation in the destination country. Recruitment fees and interest accumulation on loans limits the bargaining power of the migrant worker in protecting his or her rights, even in best case scenarios where the worker and employer have agreed to clear terms set out in a contract. When workers are in debt, this leaves them susceptible to human and labour rights violations, as they are far more reluctant to jeopardize their employment by reporting abuses. Such situations are documented to have resulted in forced labour, withheld wages, excessive working hours, inhumane working and living conditions, violence and exploitation, among other abuses.

ILO Convention 181, the Private Employment Agencies Convention (1997), states that "private employment agencies shall not charge directly or indirectly, in whole or in part, any fees or costs to workers." The International Confederation of Private Employment Agencies (Ciett), a global organization that represents the recruitment industry, also prohibits fee charging as stated in the organization's code of conduct for its members. Some countries, such as the Philippines, have implemented policies and regulations limiting the fees that can be charged by recruitment agents; in some countries policies prohibit the charging of such fees altogether. However, despite the existing prohibitions and limits on fee charging for recruitment, migrant workers are often charged excessive fees for job placements and are still faced with human rights and labour rights abuses as a result. The activities of the recruitment industry remain difficult to regulate, and migrant workers continue to take on debts that place them in precarious situations in their countries of destination.

Discussion Questions

- 1) Based on your work with migrant workers, what human and labour rights violations arise as a result of the charging of recruitment fees?
- 2) In your experience working with migrant workers, approximately how much debt are migrant workers taking on to finance their migration? (*If you have specific numbers based on studies that you can share, please advise.*) Are there major differences between the debtloads of those who migrate under regular vs. irregular situations?
- 3) In your experience working with migrant workers, how do migrant workers access the necessary funds to finance their migrations? Do they make enough money in their country of destination to pay back their debts, and if so, how long does it typically take?
- 4) What good practices are you aware of in regulating or abolishing recruitment fees for migrant workers?
- 5) What do you see as the primary challenges for governments in regulating or abolishing recruitment fees? What suggestions can we make to governments to overcome these challenges?
- 6) Do you have any case studies you can share that demonstrate the relationship between rights violations and recruitment fees?
- 7) Do you have any other policy recommendations or comments related to recruitment fees?