

THEME : MIGRANT WORKERS : Recruitment cost

Low-wage migrant workers, particularly those in the construction, shipyard and cleaning sectors, have to pay thousands of dollars to obtain jobs with monthly salaries in merely the US\$500 range.

For new workers, the recruitment cost is often 20 times the monthly salary and above US\$10,000. Even workers seeking subsequent jobs have to pay, though typically less, in the range of US\$2,000 to \$5,000.

This sunk cost (often through debt) makes them vulnerable to exploitative demands, e.g. wage cuts, unsafe work, long hours, as workers fear losing their jobs should they resist.

Roots of the problem

There is no easy-to-access information about job vacancies for migrant workers. Unlicensed recruiters, often in cahoots with employers, monetise their inside knowledge and become gatekeepers, extracting fees for their introductions.

Many bosses or managers also demand kickbacks in return for giving employment or continuing employment. Under the law, they have the power to terminate employment and repatriate workers at will – a power they can use for leverage to demand payments.

National framework

Singapore has laws regulating licensed employment agents and capping permissible fees, but unlicensed recruiters (operating in Singapore) are commonplace, indicating that enforcement is poor.

Employers use unlicensed recruiters with almost total impunity.

Taking kickbacks is illegal, but perpetrators typically deal only in cash, and leave no evidence trail. In TWC2's experience, very few worker complaints result in prosecution.

Recommendations from prior cycles

In the first cycle (2011) Canada recommended "address[ing] allegations of excessive agency fees".

There was no recommendation specific to this issue of exploitative recruitment costs in the second cycle, but

Honduras called for "national migrant legislation to protect the rights of migrant workers".

Peru recommended "deepen[ing] the legal initiatives and their enforcement".

Cuba called for "safeguarding the well-being and rights of migrant workers".

Mexico recommended "strengthen[ing] measures to ... prevent their exploitation".

Suggested recommendations

1. Make it mandatory to list all job vacancies for migrant workers on a central digital job exchange, to which only legitimate employers, licensed agents and pre-qualified migrant workers have access, and make it mandatory to conduct the hiring process through the exchange.

(This should eliminate any role for unlicensed parties and help provide transparency for any payments.)

2. Conduct annual anonymised surveys of migrant workers to measure extent of recruitment violations, and to have no more than five percent of workers reporting violations by the next UPR cycle.

3. Enact legislation to require companies to audit themselves and their supply chains to prevent forced labour and contemporary forms of slavery.