



## **A private sector perspective on regulating the migrant labour recruitment industry**

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Action theme 1: Migrant labour and mobility

Thank you for the opportunity to speak today on private sector perspectives on regulating the migrant labor recruitment industry.

My remarks are offered on behalf of Verité, a non-profit organization with a mission to ensure that people around the world work under safe, fair, and legal conditions. Verité works with companies, governments, worker advocates, workers themselves, investors and other stakeholders to resolve key labor issues in global supply chain production through research, training, consulting, and advocacy.

Today, migrant workers and their families account for 90 percent of all international migration. While the majority of these migrants live and work successfully, some are severely exploited, and this exploitation can often be linked back to irregularities or fraud in the recruitment process. The complex supply chains that migrant workers labor within necessitate levels of coordination that are not easily found within a given company, and many companies now turn to private recruitment agents to manage these challenges. While many recruiters serve this function well, there are others that prey on the vulnerability of migrant workers, charging illegally high fees and creating situations of de facto debt bondage for would-be job seekers.

In order to enhance the benefits of international migration and reduce the potential for exploitation of migrant workers, more effective and robust regulation of the recruitment industry is needed.

At the level of national government, there is a need for more and better laws and regulations regarding recruitment of migrant workers, bolstered by rigorous enforcement and cross-border cooperation whenever possible. Migrant workers should be protected by a robust legal framework governing the activity of private recruiters, beginning with a prohibition on the charging of recruitment fees, which, in Verité's experience, are perhaps the single most important point of vulnerability to trafficking and forced labor for migrant workers. Convention 181 of the International Labor Organization offers a solid framework for national governments in regulating private recruitment agents.

There is also a need for laws that hold companies themselves accountable to demonstrate that the human trafficking of migrant workers is not present in their supply chains, and that, where third-party recruiters are employed, due diligence steps have been taken to ensure that these recruiters are acting ethically. In the United States, the California Transparency in Supply Chains Act requires companies to report publicly on their efforts to prevent against human trafficking in their supply chains, and the Executive Order on Strengthening Protections Against Trafficking in Persons in Federal Contracts prohibits

human trafficking and forced labor in government contracts and places further prohibitions on specific activities such as fee charging and contract substitution.

A final key element of regulating recruitment at the national level is the establishment of transparent and credible licensing systems for recruitment agencies. Migrant job seekers, companies and private recruitment agents alike must be given the means to differentiate performance on recruitment. Publicly accessible licensing and monitoring registries can enable choices to be made between good and bad actors, and clarify which agencies are operating according to government standards. This, in turn, helps to build more market demand for ethical recruiters. Private and voluntary efforts to promote responsible recruitment and combat human trafficking and forced labor are also needed.

Industry associations can create standards that have a far reach. The International Confederation of Private Employment Agencies, or Ciett, has created standards for recruitment in its code of conduct that are consistent with the ILO's Convention 181. Ciett's code reaches 47 national federations of private employment agencies and 8 of the largest staffing companies worldwide.

Recent years have seen the emergence of private recruitment agencies such as FSI Worldwide and the Fair Hiring Initiative that operate with the explicit purpose to bring best practice to the recruitment and management of migrant workers, and to demonstrate the business case for responsible recruitment.

There are many ways in which civil society actors can contribute to strengthening responsible recruitment. Verité and the Manpower Group together released the Ethical Framework for Cross-Border Recruitment, which offers a set of standards for recruitment and guidance on a verification regime. Verité has also been working with a handful of companies and their key suppliers to pilot the Ethical Framework. The Alliance for Ethical International Recruitment Practices is a non-profit that certifies recruiters and employers that adhere to its code of conduct. Such efforts at demonstrating what "good" looks like on-the-ground can be an important step to further the practical knowledge of how to implement responsible recruitment across the supply chain.

In the coming years, Verité hopes for transformative social and market demand for responsible recruitment practices that is driven by governments, private sector actors, labor unions, workers, NGOs, investors, consumer groups and all other engaged stakeholders alike.

Thank you.