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Lowering Migration Costs in Collaboration with, and Developing a Model Bilateral Framework with Receiving Countries

Session II: Lowering the Monetary Cost of Migration: Policy Routes and the Promise of Adopting a Collaborative Framework

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Background Note[1]

I. Introduction

Migrants typically base their decision to migrate on the expectation that the benefits will more than outweigh the financial costs involved. The background note for Session 1 of this workshop shows, however, that in far too many cases, the monetary cost of labour migration can be unbearably high, even to the point of being exploitative. Clearly, there is much room for more effective policy interventions that will translate migrants' expectations into reality.

This note explores some of the initiatives governments have taken to lower the monetary costs of migration. For many governments, the usual approach is to initiate unilateral policies that prescribe locally set standards. Recent years, however, have seen an increasing number of governments working more cooperatively with counterparts at origin and destination countries via signing bilateral agreements (BAs) and memorandum of understandings (MOUs). This shows a growing momentum towards a more collaborative approach to migration management. The challenge is how to turn this momentum into palpable changes on the ground through more effective implementation.

II. Policy Routes: The Usual and the Less Traveled

A. The Usual Route: Enforcing Rules Unilaterally

Many governments are aware of the monetary costs of migration and have instituted policies to limit them primarily in five ways: by (1) licensing or registering recruitment agencies (2) prescribing allowable placement fees (3) requiring the use of standard contracts, (4) setting minimum wages and (5) offering subsidized loans.

1. License or Register Recruitment Agents

Governments register or license agencies to ensure that only reputable individuals engage in recruitment. Registration required that agencies make themselves known to a government authority, while licensing entails the prior authorization of an agency before starting business. Some cases will justify registration only while some may require a licensing system.

The ILO recommends that, if a system of registration is adopted, agencies should at the very least be registered as a special category of private business to avoid malpractice and abuse of clients. The ILO argues that although agencies "in general, operate as a normal private business, their activities and operations relate to people wishing to find suitable employment. Services related to human resource management are unlike a brokerage business; they require specific skills and an understanding of human beings with their different needs, aspirations and idiosyncrasies."[1]

Scope of Regulation

The types of recruitment services that agencies perform or the sectors in which they focus operations typically determine the scope of licensing. For example, several countries regulate temporary work agencies, while others focus on recruiters of workers abroad or those that provide services beyond

[1] This background note is prepared by Dovelyn Rannveig Agunias, Regional Research Officer, International Organization for Migration (IOM), with the research assistance of IOM's Genevieve Gruss.

placement. Indeed, a number of countries regulate only certain types of agencies. Table 1 provides some examples of such countries and the types of agencies they regulate.[2]

Table 1: Scope of Government Regulation

Country	Scope of Regulation
Austria	Temporary work agencies
Belgium	Temporary work agencies
China	Overseas employment
France	Temporary work agencies
Germany	Temporary work agencies
Indonesia	Overseas employment
Italy	Temporary work agencies
Philippines	Overseas employment
Poland	Temporary work agencies
Portugal	Temporary work agencies
Spain	Temporary work agencies
UK	Labor providers in agriculture

Source: International Labor Organization

In general, regulators require agencies to prove competence in four areas: financial capacity, personal and professional qualifications, and management and marketing capabilities.

Among countries of origin, the Philippines has the most sophisticated regulatory system in place. It has regulated recruitment agencies since 1974 and is widely recognized as having one of the most effective government bureaucracies in place to manage migration. In 2010, more than a million Filipinos left the country to work in more than 190 destinations, each bearing an employment contract issued by the Philippines government. About 95 percent of this labor flow used licensed, private recruitment agencies based in the Philippines. For many international observers, the Philippines' system of regulating migration has unrivaled sophistication, making it a model for other developing countries hoping to access the benefits of global labor mobility.[3]

The Philippines enforces a set of entry requirements designed to weed out potential violators. To acquire an operating license, agency owners in the Philippines must have:

- Filipino citizenship or partnerships in which 75 percent of the capital is Filipino-owned or controlled. This ensures that agencies are within the Philippine government's jurisdiction should litigation be necessary.
- No criminal records or complaints, charges and convictions related to illegal recruitment
- Financial stability. Agencies have to prove they have at least 2 million pesos (US$44,400) as capital, pay registration fees, and post bonds: one in the form of a bank deposit under an escrow account of 1 million pesos (US$22,200) and a surety bond of 100,000 pesos (US$2,200). The escrow deposit covers valid and legal money claims of recruited workers and must remain intact at all times to keep the license valid.
- Deployment capacity demonstrated by proof of manpower requests for not less than 100 workers.
- Access to new markets by partnering with foreign employers that did not employ Filipino workers for at least six months prior to the agency's application.
- A panel interview that successfully confirms and/or clarifies submitted information. In these interviews, agencies, especially those deploying household workers and entertainers, may be required to show additional proof of capital, such as a deed of sale and mortgage and bank statements.

Some of these requirements, along with other provisions, figure in other countries' regulatory systems. Germany conducts criminal checks and has minimum financial requirements. However, it also requires agency owners to have at least three years of work which involved tasks in the field of personnel management, job placement, personnel consultation or the supply of temporary workers. Applicants must also have a recognized vocational qualification or a degree from a university or other higher education establishment.[4] Qatar also requires a bank guarantee as well as disqualifies applicants employed in a government agency or any public body or company owned by the state.[5] Singapore gives license to applicants that are at least 25 years old, have Singaporean nationality or residency and bear a government-issued training certification.[6]

2. Set Limits on Allowable Placement Fees

Since most recruitment irregularities are fee-related, a number of governments have set limits on the placement fees recruitment agencies can legally charge clients. The limits vary quite considerably by country and, interestingly, by sector and even gender.

Some regulations set limits as a percentage of salary. The actual amount set out in legislation vary from 5, 10 or 15 per cent of the initial monthly wage up to 5 per cent of the first gross annual wage. For instance, in the Philippines, agencies can charge up to 100 per cent of a migrant's first month's salary. Malaysia, Singapore and Zimbabwe set the ceiling much lower, at just 15, 10 and 5 per cent respectively.[7] Switzerland allows agencies to charge up to 5 per cent of the annual salary while Egypt set the limit at just 2 per cent. Israel, on the other hand, limits placement fees to 120 per cent of the minimum monthly wage or around US$ 900.[8] In Jordan, recruitment agency can only charge service fees to the homeowner, not the worker and fees are capped at 10 per cent of the domestic worker's one-year wage for the initial placement and 2 per cent of the one-year wage for renewal of the contract. [9]

Some governments set fees by gender. In 2007, the Bangladesh Government, for instance, set the maximum allowable charge for women migrants going to the Middle East at BDT20,000 (US$ 267) or less than a quarter of the maximum fees set for men (BDT 84,000, US$ 1121).[10]

Nepal differentiates fees by destination: USD 1,081 for Malaysia, USD 950 for Gulf countries and USD 675 for Japan. Other governments set limits depending on a migrant's skill level or sector. India implements a set of differentiated fees depending on type of worker, ranging from USD 45 for unskilled workers and up to USD 220 for the highly skilled.[11] The Philippines exempts from its placement fee policy all seafarers and domestic helpers as well as land-based workers whose destination countries prohibits — either by law, policy, or practice — the charging or collection of placement and recruitment fees.[12]

One such country is Ireland, where all recruitment-related costs must be borne by the employers. [13] Interestingly five of the six countries of the Gulf Cooperation Council (GCC) States — Qatar, Saudi Arabia, Oman, Bahrain and Kuwait — also explicitly prohibit charging placement fees from workers. The other GCC country, the United Arab Emirates (UAE), likewise bans recruiters from charging migrants but allows certain exceptions to agents that can obtain special government consent.[14] This ban, however, only apply to agencies operating within the GCC states and not to foreign recruiters.

Sri Lanka has a more complicated system for determining allowable fees. Foreign agents recruiting Sri Lankans have to give an official declaration or statement to the Sri Lankan embassy on whether a commission was given to or received from the Sri Lankan agent. If the Sri Lankan agent does not get any commission from the foreign agent, he or she can charge the worker the actual expenses incurred as long as they are within the allowable limit set by the Sri Lankan government and are backed up by receipts. Allowable fees differ from job to job and range from one to two months' salary.[15]

Governments tend to limit fees that can be legally charged to migrants, but very few have extended similar protection to employers. For instance, Singapore prohibits agencies from charging employers more than the stipulated registration fee of S$5 and 80 per cent of the worker's first-month earnings.[16] This is a critical policy oversight given that field studies show employers' tendency to eventually pass on their costs to migrants.

There is no consensus internationally on whether a complete ban on placement and other fees is ultimately a good policy. Even the ILO, which once prohibited the charging of fees to employers and workers alike, has softened its stance.[17] Citing a "different environment", ILO's Convention 181 allowed exceptions to be determined individually by member states as long as they are reached after a tripartite consultation and consensus.[18] Generally, charging fees to workers is prohibited in a number of industrialized countries, especially where temporary work agencies dominate the private employment market, such as in all of the EU-15 countries. Other countries with significant numbers of overseas recruitment agencies allow the collection of fees to select categories of workers or regulate the amount of fees to be charged. There are also countries that do not regulate fees at all and leave them to the discretion of the agencies.[19]

3. Require the Use of Standard Contracts

Governments also limit the monetary costs of migration by requiring the use of standard contracts. The standard contracts define the terms and conditions of service of migrant workers during their employment abroad. For instance, farm labor contractors in the United States who are hiring temporary migrant workers through the government's H-2A program are required to utilize contracts that spell out minimum wages, travel reimbursement, record keeping and minimum standards for housing. Canada has similar protections and standards regarding allowable wage deductions, insurance for illness and injury and minimum housing and transportation arrangements.[20]

According to the ILO, many countries have developed model employment contracts. Although they are not always mandatory, they serve as a guide to the prospective employers and workers in the formalization of the employment agreement. The ILO recommends that standard contracts for migrant workers should, as a minimum, include the following:[21]

- Description of the job, site of employment and duration of contract;
- Basic and overtime remuneration;
- Regular working hours, rest days, holidays;
- Transportation clauses to country/place of employment, and return;
- Employment injury and sickness compensation, emergency medical care;
- Valid contract termination grounds;
- Settling of dispute clause;
- Non-cash compensation and work related benefits.

4. Set Minimum Wage Requirements

To ensure that migrants, particularly those vulnerable to abuse and exploitation, receive decent wages, some countries have unilaterally set a minimum wage for all or some of their workers. Sri Lanka sets a monthly minimum wage depending on the destination. Bangladesh has similar rules and even differentiates between compensation packages that do and do not include food. For instance, Bangladeshis going to the United Arab Emirates have to receive a monthly salary of AED 600 (USD 163) if food is included, otherwise the minimum is AED 750 (USD 240). The Philippines requires that its domestic workers be paid USD 400 per month regardless of destination. Setting minimum wage requirements, especially if coupled with standard contracts, is believed to ensure that migrants receive decent wages.

5. Provide Access to Subsidized Loans

Since potential migrants' own liquidity constraints force many to take out loans, often at exorbitant rates, it is also critical to improve migrants' access to fair credit. Migrants can easily find themselves in an over borrowed situation where their inability to service accumulated debt has severe effects on their wellbeing. In many cases, this is due to lenders' predatory behavior, where they deliberately exploit the gullibility, ignorance or desperation of the borrowers to trap them in spiraling charges.

Some governments have taken a proactive approach by providing subsidized loans to migrant workers. To prevent illegal recruiters and loan sharks from preying on overseas workers and their families, the Philippine government extends the following loans:[22]

- Pre-departure loans (PDL) are offered to help defray the cost of pre-departure requirements, including medical examinations, subsistence allowance, clothing, and pocket money.
- Family assistance loans (FAL) are for emergency purposes or family needs. The maximum loan amount is set at 40,000 pesos (US$ 869), payable in six months to a year and with a 9 per cent annual interest deducted in advance. This benefit is limited to members who have at least six months remaining in their employment contract.

Similarly, the recently launched Probashi Kallyan Bank (Migrants' Welfare Bank) in Bangladesh offers outbound migrant workers a loan package on soft terms covering a fair portion of their migration cost, such as medical assessment fee, visa fee, airfare, among others. Since August 2011, over one hundred migrants have received the loan package.

A proposed pilot scheme between the UAE, Philippines and India also aims to create a new low-cost loan system for Filipinos and Indians going to the UAE. The project would partner with banks in India and the Philippines willing to provide loans at the pre-departure stage, at a subsidized rate.

B. *The Road Less Traveled: Adopting A Collaborative Framework*

Given the cross-border nature of international migration, unilateral measures on lowering costs will be fully effective only if both host and source countries are equally committed to introducing and enforcing rules.[23] As the background note for Session 1 of this workshop highlights, private recruitment agencies still resort to charging migrants' excessive and unauthorized fees despite government regulations against such practices. Cumbersome and rigid regulation that are not recognized at both sending and receiving end can lead to more corruption and abuse, and force migrants out of the legal system and into irregular channels. International migration is best addressed using transnational solutions. Bilateral agreements (BAs) or memoranda of understanding (MOUs) [24] are potentially useful tools toward this end.

Indeed, the last five years have seen an increasing number of governments take this route. For instance, based on data compiled by IOM missions, Colombo Process member countries have signed a total of 98 BAs and MOUs with 32 destination governments – 59 were signed just in the last five years (see Table 2 below). This encouraging trend signals increased cooperation among origin and destination countries. Previously, countries of destination were reluctant to enter into such agreements, which implied additional obligations and partners. The shift indicates that countries of origin and destination are beginning to recognize that effective migration management requires cooperation. [25]

Table 2: Bilateral agreements and memoranda of understanding signed by Colombo Process Countries since 2005

Country	Bilateral agreements	Memoranda of understanding	In process
Afghanistan	Agreement with Etisalat UAE for the Graduate Trainee Induction Program (2010); agreement with Iran for cooperation on social affairs (2010), technical labour dispatch protocol with Qatar.	n.a.	UAE, Kuwait, Iran
Bangladesh	Kuwait (2000/2008) South Korea (2007).	Qatar (1988/2008) Malaysia (2003/2006) UAE (2007) Oman (2008) Libya (2008)	Jordan, Bahrain and Italy
China	Mauritius (2005) and Malaysia (2003)	United Kingdom (2005), Republic of Korea (2007)	n.a.
India	Qatar (2007)	UAE (2006), Kuwait (2007), Oman (2008), Malaysia (2009), and Bahrain (2009)	Yemen, Libya, Poland, Republic of Korea and Saudi Arabia
Indonesia	n.a.	Jordan (2001, renewed 2009), Australia (2005), Japan (2008), Republic of Korea (2010), United Arab Emirates (2007, renewed 2010), Malaysia (2006 domestic workers), (2010 private sector), Japan (2008), Qatar (2008, renewed 2011 for the formal sector, 2010 for the health sector) and between IETO (Indonesia Economic and Trade Office in Taipei, Taiwan Province of China) and TETO (Taipei Economic and Trade Office in Jakarta) (2004, renewed 2011)	Syria, Lebanon, Libya, Brunei Darussalam (draft submitted to the Government of Brunei Darussalam), Australia and Japan
Nepal	n.a.	Japan (JITCO - 2003), Qatar (2005), UAE (2007), South Korea (2007) and Bahrain (2008)	Lebanon and Malaysia

Country	Bilateral agreements	Memoranda of understanding	In process
Pakistan	Qatar (1978, 2008)	UAE (2006), and South Korea (2008)	Italy and Bahrain
Philippines	n.a.	Libya (1979, 2006), Jordan (1981, 2010) Korea (2004, 2005, 2006, 2009), Lao PDR (2005), Spain (2006), Saskatchewan (2006), Bahrain (2007), UAE (2007), Alberta, British Columbia, Manitoba (2008), New Zealand (2008), and Japan (2009)	n.a.
Sri Lanka	UAE (2007); Qatar (2008); Libya (2008); Jordan (2006); Bahrain (2008); South Korea (2004,2010)	n.a.	n.a.
Thailand	n.a.	UAE (2007), Republic of Korea (2009), Japan (IMM 2010), Japan (JITCO - Record of discussion 1994, updated 2010)	n.a.
Viet Nam	Russia (1992 BA updated in 2008); Lao PDR (1994 BA last updated in 2009); Qatar (2008); Kazakhstan (2009)	Republic of Korea (2004, MOU updated in 2008), Oman (2007), Bulgaria (2008), Slovakia (2008), UAE (2009), and Saskatchewan (2006)	Japan (1992 updated in 2010) and Saudi Arabia (2006)

Source: Dovelyn Rannveig Agunias with Christine Agharzam and Graziano Battistella "Labour Migration from the Colombo Process Countries: Good Practices, Challenges and Ways Forward, IOM, Forthcoming

Among destination countries, those in the Gulf region have been most active in signing agreements. Qatar has BAs and MOUs with Bangladesh, India, Nepal, Pakistan, Sri Lanka, Indonesia and Viet Nam; the United Arab Emirates with all CP Member Countries except Thailand; Kuwait with Bangladesh, India, Indonesia, Pakistan and the Philippines. The absence of BAs and MOUs with major destination countries remains a gap. [26]

In Southeast Asia, Malaysia has entered into agreements with Bangladesh, China, India, Indonesia, Pakistan and Viet Nam, and is forging one with Nepal. In East Asia, the Republic of Korea has signed agreements with all countries supplying labour through the Employment Permit System (EPS). For example, the labour department of the Philippines and the Republic of Korea signed an MOU in 2009 to enhance transparency and efficiency in sending Filipino workers to Korea. The MOU specifies, among other provisions, the fees to be paid, the qualifications of workers, the roster of jobseekers and the terms of the labour contract. [27]

Some agreements are dedicated to specific purposes, such as the agreement between Pakistan and the company Etisalat UAE for its Graduate Trainee Induction Program (2010). The MOUs the Philippines signed with Indonesia and Lao People's Democratic Republic enhance the protection of migrants and promote collaboration on labour and employment, respectively, indicating that cooperation – not just competition – is possible among countries of origin. The MOU with Indonesia, for example, outlines forms of cooperation, such as the development of joint efforts to protect migrant workers and to provide legal aid. With the Lao People's Democratic Republic, efforts include technical support in implementing projects such as labour administration and employment promotion. [28]

A preliminary review of publicly available agreements signed in the last three years clearly suggests that BA's and MOUs can be an effective tool to jointly minimize migration costs. The provisions in some of the new agreements are quite specific to minimizing costs and if properly implemented, can have tremendous impact on the bottom line of migrants. Two sets of provisions are worth mentioning.

Allowable Fees

First, some agreements have clearly set out parameters on who should pay in recruiting migrant workers. For instance, an MOU between the Philippines government and three Canadian provinces signed in 2008 ban the charging of placement fees to migrants. The language is very clearly set out in the MOU: employers and agencies "must not request, charge or receive, directly or indirectly, any payment from a person seeking employment…"[29]

The Philippines' MOU with Japan states the actual recruitment fees employers must pay: US$425 as processing fee, inclusive of contract guarantee, and an additional USD 25 contribution to the Worker's Welfare Fund. The MOU also explicitly states, "Such payment shall not, in any way, be levied on the selected Filipino candidates …"[30]

Jordan's MOU with Indonesia concerning domestic workers is noteworthy since it covers not only the costs migrants incur at the pre-departure stage, but while at the destination and even upon return. The MOU states explicitly that the employer is responsible for paying the following:

- *Work and residency permits*. If the employer fails to avail of the permits, he or she will pay a fine to the relevant Jordanian authority[31].
- *Life insurance policy*. The policy shall be valid for two years, issued at an accredited and registered insurance company[32].
- *Return ticket*: If the domestic worker changes sponsors, the new employer should pay for the return ticket[33].
- *Bank account*: The employer shall open a bank account in the name of and for the domestic workers, where the salary would be deposited within seven days of the pay date[34].
- *Accommodation, meals, medical care and clothing*[35].

The MOU also has provisions that require the Indonesian agent to pay for the deployment cost if the domestic worker is not qualified and/or refuses to work without reason[36].

The MOU between South Korea and the Philippines outlines the types of fees that can be legitimately charged from employers and workers alike, before departure and when the migrant reaches South Korea. The two countries also agreed to consult with each other in case changes in fees "are inevitable due to inflation or other reasons"[37].

Use of one contract

Second, some of the agreements require the use of just one contract at both sending and receiving ends. The MOUs the Philippines signed with Korea and Japan have provisions that require the employers to get authentication from Philippines government authorities. The Philippines government would "review the terms and conditions, and if the same are compliant with the minimum standards, explain to the jobseekers so that he/she can fully understand it and decide whether or not to accept the offer based on his/her own free will"[38]. Likewise, Jordan's MOU with the Philippines and Indonesia requires that contracts are approved and stamped by the Philippine and Indonesian embassy in Amman.

III. Some Caveats: A Renewed Focus on Implementation

As the preceding section shows, many governments have already instituted policies within their borders to limit migration costs, from imposing limits on placement fees to providing subsidized loans. An increasing number have also partnered with counterparts overseas to sign MOU's and BAs. The momentum in taking a coherent and collaborative approach is at hand; the challenge is how to turn this momentum into palpable changes on the ground.

Central to meeting this challenge is a renewed focus on implementation. This can be achieved by improving capacity through tapping into new technology and by creating partnerships with the private sector.

Effective use of new technology
Effective use of new technology can potentially augment governments' capacity to implement local regulations and bilateral agreements. Indeed, some destination countries have already instituted systems that ensure that migrants get paid wage in full and without delay. The UAE, for instance, adopted the Wages Protection System (WPS) in 2010. WPS is an electronic salary transfer system that requires employers to pay workers' wages via government-approved banks, bureaux de change, and financial institutions. Developed by UAE's Central Bank, the system creates a database that records wage payments essentially allowing the Ministry of Labour to more efficiently check whether employers pay workers on time and in full. Interestingly, the system requires employers to incur all expenses in joining WPS, including bank fees, service provider charges, and all other costs and prohibit them from sharing "any costs with workers' by any means, including deducting from their wages, directly or indirectly." Employers found violating WPS provision are banned from applying for new work permits, until the wage in question has been paid. [39]

Among countries of origin, Sri Lanka is developing a Web-Based Recruitment Process (WBRS), a system that allows local and foreign recruitment agents to access a secure, online platform and send job orders through the Internet. This reduces cost, time, and human resources.

Four parties can access the system: the Sri Lankan Government's office in Colombo, the Sri Lankan missions abroad, the Sri Lankan agent, and the foreign agent. The Sri Lankan agent enters the information on the selected workers while the foreign agent enters information on the employer, such as a telephone number, an address, and an ID card number. The foreign agent can also scan and attach the family identification and income statements of the sponsor as well as the salary and other conditions of employment. The missions abroad verify the information provided on the job order, checking that the job really exists and that the facilities of the employers are adequate. If the mission abroad needs more information to make a recommendation, it can make the request directly within the system.

Developing such a system would allow full disclosure of information. The migrant worker would have access to the correct information pertaining to his or her employer and the terms and conditions of the job itself. Of course, missing in this system is the participation of destination governments. Clearly, the value of such a system would be maximized if both origin and destination governments used connected online platforms, or even better, shared the same platform.

Meaningful partnerships with private actors
Implementation can also be improved by creating meaningful partnerships with civil society and the private sector. Civil-society groups are not just an excellent source of talent and technical expertise; their cooperation with a government institution enhances the institution's credibility and lends

legitimacy to its rulings. They can also provide oversight and monitor the implementation of programs and policies.

Efforts to control actions of recruiters may not, in themselves, be sufficient. Employers, with or without government pressure, may have to assume a more active role in the recruitment phase and ensure that their recruiters follow ethical recruitment practices. As lawyer Bruce Goldstein argues, during the 19th century, contractors and agents in the United States, Great Britain, and Australia curtailed their slavery-like labour and recruitment practices after the companies that hired them (facing government scrutiny of their own) pressured them to change.[40]

Indeed, businesses can be a crucial partner in influencing recruitment practices. For instance, in August 2008, an Australian television channel exposed the poor working and recruitment conditions of migrant workers in a Malaysian factory producing Nike products. In response to media attention, Nike asked the factory to reimburse all employment-related fees, including recruiting and worker permit fees, to the migrants. In the future, Nike also promised that its factory would pay any and all fees associated with employment.[41] Similarly, clothing retailer Gap developed a code of conduct for its contractors and recruiters. Some migrant groups have acknowledged that Gap's code has been particularly useful in influencing recruitment practices.[42] Indeed, if companies hiring migrant workers routinely cover the costs of recruitment as part of business expense, it would potentially reduce, if not totally eliminate the costs migrants incur.

A 2008 report from Business for Social Responsibility, a professional organization with a global network of more than 250 businesses, cited the following areas where companies can actively contribute to lowering the cost of migration to migrants:[43]

- Adjust companies' codes of conduct to include specific protection for migrant workers
- Train suppliers on management issues related to migrant workers and support their efforts to ensure fair treatment
- Include migrant-worker issues in auditing activities
- Tie purchasing decisions to ethical treatment of migrant workers

IV. Conclusion

The challenges in lowering the monetary cost of migration, though enormous, are by no means insurmountable. It's clear that many governments do not need to start from scratch but can build upon the progress already made. It's also clear that no one government should bear the burden of protecting workers and managing what is essentially a transnational phenomenon. International migration, by definition, transcends borders. The problems that arise from international movement of people are, in most cases, transnational — as are many of the solutions.

Governments have various options. The usual route is to impose unilateral policies at home. Some governments license or register recruitment agencies, prescribe allowable placement fees, require the use of standard contracts, set minimum wages and offer subsidized loans. Recent years have also seen an increasing interest to work more collaboratively with other governments by signing MOUs and bilateral agreements with specific provisions to reduce costs, such as a mutually agreed set of allowable fees and the use of one contract.

The political will is clearly on the rise among governments in the region to adopt a collaborative framework. The challenge, however, is how to translate this political will into tangible changes on the ground in order to have meaningful impact from the perspective of migrants themselves. As this note highlights, tapping into new technology and creating partnerships with the private sector are viable options for governments wishing to improve implementation.

Ultimately though, successfully adopting a cooperative framework rests on governments' willingness to alter some aspects of their regulatory systems to accommodate each others' demands. A clear commitment to share the cost of protecting migrant workers is also needed. Indeed, labor law is a national prerogative and more deeply enshrined in domestic policy than is trade or finance. Experience in many countries suggests a general unwillingness among governments to accept (and to enforce) binding labor standards for foreign workers as part of formal agreements. At the same time, capable institutions do not run on their own without an infusion of much-needed resources, financial and otherwise.

Even though adopting a cooperative framework involves immense obstacles, the benefits are far greater. Both countries of origin and destination know that a well-organized labor flow can boost their respective economies more than free trade and financial flows. The market forces fuelling labor migration have changed little despite the global economic crisis. Migrants are still willing to migrate for a better career and destination countries need migrants to address labor shortages and augment the skills of its workforce. Efforts now to ensure that labor migrants do not bear most of the cost associated with their movement are investments for the future.

Endnotes

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21 International Labor Organization, Guide to Private Employment Agencies, 26

22 Dovelyn Rannveig Agunias and Neil Ruiz, "Protecting Temporary Workers: Lessons and Cautions from the Philippines," Insight (Washington: Migration Policy Institute, 2007)

23 Ng Cher Pong, "Management of Foreign Workers in Singapore: Regulation of Employment Agents," in Merchants of Labor, ed. Christiane Kuptsch, 99-107(Geneva: International Labor Organization, 2006.) 106

24 Bilateral labour agreements (BLAs) offer an effective method for regulating the recruitment and employment of foreign short- and long-term workers between countries. They can take the form of formal treaties or less formal memoranda of understanding (MOUs), or even very informal practical arrangements, e.g. between national employment agencies. An important difference between BLAs as formal treaties and MOUs is that the latter are not legally binding, although the effectiveness of a bilateral agreement or MOU is determined less by its legally binding nature than by how it is implemented and enforced in practice. Moreover, any absence of references to labour protections in MOUs should not be seen as reducing the safeguards already in place

under national labour legislation or the commitments contracted at the regional and international levels. Indeed, MOUs may contain explicit statements defining the application of national labour legislation to the employer-employee relationship. Note: this information comes from the Handbook on Labour Migration (see http://www.osce.org/files/documents/c/9/19242.pdf).

25 Dovelyn Rannveig Agunias with Christine Agharzam and Graziano Battistella "Labour Migration from the Colombo Process Countries: Good Practices, Challenges and Ways Forward, IOM, Forthcoming

26 Ibid

27 Ibid

28 Ibid

29 Paragraph 6. Cost of Recruitment of Workers. Memorandum of Understanding between the Department of Labour and Employment of the Republic of the Philippines (hereinafter referred to as the 'DOLE') and the Ministry of Economic Development of the Government of British Colombia, Canada (hereinafter referred to as 'ECDV') Concerning Co-operation in Human Resources Deployment and Development (2008)

30 Article 11. Payment of Fees to the POEA. Memorandum of Understanding (MOU) Between the Philippine Overseas Employment Administration and the Japan International Corporation of Welfare Services On the Deployment and Acceptance of Filipino Candidates for "Kangoshi", Filipino Candidates for "Kaigofukushishi", Filipino "Kangoshi", and Filipino "Kaigofukushishi" (2009)

31 Article 4. Memorandum of Understanding between Government of the Hashemite Kingdom of Jordan Represented by the Ministry of Labour and Government of the Republic of Indonesia Represented by Ministry of Manpower and Transmigration on the Placement and Protection of Indonesian Domestic Workers (2009)

32 Article 8. Ibid

33 Article 12. Ibid

34 Article 13. Ibid

35 Article 13. Ibid

36 Article 19. Ibid

37 Paragraph 4. Sending and On-site Fees. Memorandum of Understanding between the Department of Labor and Employment, Republic of the Philippines and the Ministry of Labor, Republic of Korea on the Sending and Receiving of Workers under the Employment Permit System of Korea (2009)

38 Paragraph 8. Labor Contract. Ibid.

39 United Arab Emirates Ministry of Labour, "Wages Protection System
Guideline," Issue No.: 01/08/2009

40. Bruce Goldstein, "'Merchants of Labor' in Three Centuries: Lessons from History for Reforming 21st Century Exploitation of Migrant Labor," in Merchants of Labor, ed. Christiane Kuptsch (Geneva: International Labor Organization, 2006), 35.

41. Business for Social Responsibility, International Migration: A Responsible Role for Business (San Francisco: BSR, October 2008), 6, www.bsr.org/reports/BSR_LaborMigrationRoleforBusiness.pdf.

42. Ibid., 29.

43. Ibid., 2.