



# Eliminating Recruitment Fees Charged to Migrant Workers

There are an estimated 232 million international migrants around the world today and over 90 per cent of these are workers and their families.<sup>1</sup> International labour migration is a defining feature of the global economy. Nearly every nation around the world is impacted as a country of origin, transit or destination. Migrant workers often make important contributions to the global and local economies in which they work, the societies in which they live, and the communities from which they migrate. Nevertheless, these same workers often face numerous hardships and are among the most vulnerable in the global economy.

In the labour market, workers on the move can face job discrimination, unfair treatment, unequal wages and restrictions on their fundamental rights and freedoms. In the worst cases, the pressures they face, such as unfair recruitment and hiring practices, poor employment and working conditions and restrictive legal and regulatory environments, can leave them highly vulnerable to exploitation. For many, the debt burden they carry from excessive recruitment fees and migration costs exacerbates this vulnerability and can lead to debt bondage and forced labour.

Business actors around the world and across economic sectors, including the recruitment industry itself, have an essential role to play in addressing this risk of labour exploitation and promoting fair recruitment and hiring in their own operations and in supply chains.<sup>2</sup>

<sup>1</sup> International Labour Organization: <http://www.ilo.org/global/topics/labour-migration/lang-en/index.htm>

<sup>2</sup> The international standards of the ILO prohibit fee-charging to workers. Consult the resources at the end of this document for a list of relevant instruments.



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## What are recruitment fees and how do they place migrant workers at risk?

In the context of global supply chains, recruitment and employment agencies often charge fees to migrant workers in exchange for securing highly valued but often poorly paid jobs overseas. In some cases, workers face recruitment fraud and are charged fees for non-existent jobs or positions with salaries and conditions much lower than originally promised. Either way, the burden of paying these fees often falls on poor and low-skilled workers with limited access to employment opportunities in their home country.

Desperate to find employment, workers often have little choice but to accept this situation for the promise of work abroad. In some cases, workers:

- use their life savings;
- mortgage their homes or land;
- take contributions from family members who invest in the “migration project”; or
- take out loans from recruiters or third-party agents.

Loans often come with high, sometimes illegal, interest rates, making them difficult or impossible to pay back. If workers cannot afford to repay the fees, they can become trapped in a cycle of debt, which increases their vulnerability to other forms of abuse such as excessive working hours and may lead to forced labour. Migrants that try to escape this situation not only risk their income but often risk their migration status, face detention and forced repatriation, or escape into worse living and working conditions in the informal economy. These negative impacts then extend beyond migrant workers, creating a downward pressure on wages, labour markets and social infrastructure.



**Recruitment fees** refer to any and all fees associated with the recruitment process regardless of when, how and by whom they are collected. They can include, but are not limited to, payments for the following:

- Services such as advertising, recruiting, short-listing, interviewing, referring, retaining, transferring or placing job applicants or potential employees
- Pre-departure or post arrival training, skills-testing or orientation
- Pre-departure or receiving country medical examinations, including immunizations
- Visas, work permits, residency certificates or security clearance
- Documentation services, including translation or notarization
- Government-mandated fees, levies or insurance
- Transport or subsistence costs from point of origin to worksite, including airfare
- Security deposits or bond
- Breach of contract fees
- Employer notary or legal fees
- Bribes, tips or tributes



## Why should business take action?

Recruitment fees paid by workers can be linked to debt bondage, human trafficking and forced labour, which are crimes in most countries around the world. Companies found involved or complicit in such activities could face prosecution resulting in criminal or civil sanctions. Allegations of fee-charging and debt bondage can also present serious risks to brand value and company reputation, particularly in consumer industries, threatening investor, stakeholder and consumer relations.

Ethical recruitment and no fee-charging to workers is not only an emerging standard in key industries such as information and communications technologies, setting new expectations for businesses operating in those sectors, but it is also an emerging requirement within public procurement regulations that apply directly to companies providing goods or services to Governments. Proactive engagement, due diligence and transparency on fee-charging, in contrast, can have a positive impact on company reputation, legal compliance and stakeholder relations, and strengthen supply chain business partnerships.

The electronics manufacturer HP became one of the very first US information technology company to prohibit fee charging to workers in its supply chain with a new policy adopted in November 2014. The policy encourages suppliers to hire migrants directly, requires them to use only legal and licensed recruiters when hiring directly is not possible, and states that employment contracts with migrants must be signed directly with the supplier, not the recruitment agency. All fees and costs associated with recruitment, travel and migration processing are the responsibility of the supplier. The policy is accompanied by a guidance document to explain the new requirements and in-person training sessions to educate suppliers and share good practice. HP also conducts training for recruitment agencies to promote responsible recruitment.

Source: HP, [Supply Chain Foreign Migrant Worker Standard](#)

### **GOOD PRACTICE:**

Hire migrants directly whenever possible, and pay all fees and costs associated with recruitment, travel and migration processing

## Recommendations to Address Recruitment Fees in Hiring & Employment Practices

### **DETECTION AND PREVENTION**

- Strengthen company policies to explicitly prohibit fee-charging to workers and set out clear protections for migrants, recognizing the vulnerabilities they face in recruitment, migration, employment and repatriation. These policies should also apply to suppliers, sub-contractors and business partners, including recruitment agencies.
- Conduct human rights risk assessments that include the issues of fees, debt bondage and forced labour. Require suppliers to undergo compliance assessments before establishing business relationships, and ensure that supply chain due diligence and monitoring addresses fee-charging. Train compliance staff to better detect related abuses.
- Inform all business partners of company expectations related to recruitment and hiring, recruitment agencies and migrant workers. Conduct awareness raising and training throughout the supply chain, prioritising at-risk suppliers in countries where workers are most vulnerable.
- Promote direct hire of workers across the supply chain to ensure greater transparency and accountability for recruitment, hiring and other human resource functions. Where recruitment agencies are used, engage only those that are reputable, licensed by the competent authority and adhere to the highest ethical standards. Take proactive steps to screen agencies before hiring them and establish procedures for managing and monitoring them afterwards.
- Provide anonymous, confidential opportunities for workers to confirm whether or not they have been charged fees at any point during recruitment, migration and job placement.

## COMPENSATION AND RESOLUTION

- If fees have been charged to workers, reimburse the full amount.
- In suspected cases of debt bondage or forced labour, ensure comprehensive corrective action, providing for the full protection of the worker(s) concerned, including measures for their rehabilitation, repatriation (if desired by the worker) and their reintegration into the labour market or community, including cooperation with recognized victim service providers.
- Engage in dialogue with the business partner associated with the wrong-doing, resolve the problem and work together to identify long-term, sustainable solutions that address root causes of fee-charging. If resolution is not possible, terminating the business relationship, though undesirable, may be considered as the final option.
- Develop long-term systems improvement strategies to prevent the recurrence of abuse.

## COLLECTIVE ACTION, PUBLIC POLICY AND ADVOCACY

- Cooperate with and support multi-stakeholder responses to address fee charging and promote ethical recruitment.
- Engage in public policy dialogue with Governments and international organisations to promote better regulation of labour migration, employers and private employment agencies, and strengthen legal protections for migrant workers. Prioritize countries of operation where risks of trafficking and forced labour are high, law enforcement weak and where legal and regulatory frameworks may exacerbate the vulnerability of migrants.

## FURTHER INFORMATION

### Initiatives:

Interfaith Centre on Corporate Responsibility (ICCR), [\*"No Fees" Initiative\*](#)  
ILO, [\*Fair Recruitment Initiative\*](#)  
IOM, [\*International Recruitment Integrity System\*](#)

### Resources:

Business for Social Responsibility, [\*Migrant Worker Management Toolkit\*](#)  
European Commission, [\*Employment & Recruitment Agencies, Sector Guidance on Implementing the UN Guiding Principles and Human Rights\*](#)  
Institute for Human Rights and Business, [\*Dhaka Principles for Migration with Dignity\*](#)  
ICCR, [\*Effective Supply Chain Accountability\*](#)  
International Confederation of Private Employment Agencies (Ciett), [\*Code of Conduct Resources for Responsible Recruitment\*](#)  
Verité, [\*Fair Hiring Toolkit\*](#)  
Verité & ManpowerGroup, [\*An Ethical Framework for Cross-border Labour Recruitment\*](#)

### Relevant International Standards:

[\*ILO Migrant Workers Convention, 1975 \(No. 143\)\*](#)  
[\*ILO Private Employment Agencies Convention, 1997 \(No. 181\)\*](#)  
[\*ILO Protocol of 2014 to the Forced Labour Convention, 1930\*](#)  
[\*Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children \(2000\)\*](#)



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