



# “GCM and Migrant Labour Recruitment”

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**GCM**

**OBJECTIVE 6:**

**Facilitate fair and ethical recruitment and safeguard conditions that ensure decent work.**

## **GCM Rev 1. March 2018**

### Objective 6

d) Review and revise regulations on public and private recruitment agencies, in order to align them with international guidelines and best practices, and prohibit recruiters from charging fees or related costs to the migrant worker in order to avoid debt bondage, exploitation and forced labour, including by establishing mandatory, enforceable mechanisms for effective regulation and monitoring of the recruitment industry.

## **GCM Rev 2. May 2018**

### Objective 6

d) Improve regulations on public and private recruitment agencies, in order to align them with international guidelines and best practices, and prohibit recruiters from charging disproportionate or hidden fees as well as related costs to the migrant worker in order to avoid debt bondage, exploitation and forced labour, including by establishing mandatory, enforceable mechanisms for effective regulation and monitoring of the recruitment industry.

## GCM Rev 3. June 2 2018

c) Improve regulations on public and private recruitment agencies, in order to align them with international guidelines and best practices, ~~and prohibit~~ recruiters and employers from charging ~~disproportionate or hidden~~ shifting recruitment fees as well as or related costs to ~~the migrant worker~~ workers, and refrain from charging migrants disproportionate or hidden administrative fees, in order to ~~avoid~~ prevent debt bondage, exploitation and forced labour, including by establishing mandatory, enforceable mechanisms for effective regulation and monitoring of the recruitment industry. e)

## GCM Rev 3 Final Merged Version

c) Improve regulations on public and private recruitment agencies, in order to align them with international guidelines and best practices, prohibit recruiters and employers from charging or shifting recruitment fees or related costs to migrant workers, ~~and refrain from charging migrants disproportionate or hidden administrative fees~~, in order to prevent debt bondage, exploitation and forced labour, including by establishing mandatory, enforceable mechanisms for effective regulation and monitoring of the recruitment industry

**Improve regulations on public and private recruitment agencies, in order to align them with international guidelines and best practices**

# **ILO Convention 181**

## **Private Employment Agencies Convention (1997)**

### Article 7

1. Private employment agencies shall not charge directly or indirectly, in whole or in part, any fees or costs to workers.

# Dhaka Principles

Institute for Human Rights and Business

## UN Guiding Principles on Business & Human Rights

“No fees are charged to migrant workers”



# THE INTERNATIONAL RECRUITMENT INTEGRITY SYSTEM

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**IRIS**  
International Recruitment  
Integrity System



**prohibit recruiters and employers from charging or shifting recruitment fees or related costs to migrant workers**

**Qatar Labour Law, 2004 (Article 33):** “The person who is licensed to recruit workers from abroad for others shall be prohibited ... to receive from the worker any sums representing recruitment fees or expenses or any other costs.”

**Saudi Arabia Labour Law, 2005 (Article 40):** “An employer shall incur the fees pertaining to recruitment of non Saudi workers, the fees of the residence permit (*lqama*) and work permit together with their renewal and the fines resulting from their delay, as well as the fees pertaining to change of profession, exit and re entry visas and return tickets to the worker’s home country at the end of the relation between the two parties.”

**UAE Labour Law, No. 8, 1980 (Article 18):** “It is not permissible for any licensed labour agent or supplier to *demand or accept* from any worker *whether before or after his recruitment*, any commission or material reward in consideration for arranging such recruitment, nor may he obtain from him any expenses except as may be decided or approved by the Ministry of Labour and Social Affairs.” Nor can any visa fee be deducted from a worker’s salary (Article 60).

# Problem

- Countries of origin allow recruitment agencies to charge migrant workers certain amounts
  - 1, 2 or 3 months salary
- But in reality they charge much more and never give receipts for more than legally allowed  
therefore
- Inconsistent laws in transnational recruitment

**in order to prevent debt bondage, exploitation and  
forced labour,**

MIGRATION RESEARCH LEADERS SYNDICATE  
IN SUPPORT OF THE GLOBAL COMPACT ON  
MIGRATION

**Transnational Culture of Corruption in Migrant  
Labour Recruitment**

Ray Jureidini

**IOM 2017**

# **STRUCTURAL CULTURE OF CORRUPTION IN RECRUITMENT INDUSTRY**

## **1. PROJECT TENDER COMPETITION**

- ELIMINATE RECRUITMENT COSTS**
- REDUCE PROJECT BUDGET**
- INCREASE PRICE COMPETITIVENESS**
- LOWEST PRICE WINS**
- NON-TRANSPARENT**

## **2. LABOUR SUPPLY COMPETITION**

- NO RECRUITMENT COSTS FOR EMPLOYER**
- MINIMIZE WAGES**
- PAY EMPLOYER - KICKBACK PAYMENTS/BRIBES**
- WORKER PAYS**

## Recruitment Costs

Bangladesh	US\$
Variable Costs	
Internal Travel, Food, Accommodation	50-100
Subagent Commission	75-100
Total (average)	163
Fixed Costs	
Medical Test	70
Orientation	25
Welfare Fund	10
Life Insurance	13
Administration	25
Govt. training	85
Skills Test	35
Emigration stamping	36
Airfare (one way)	400 (av)
Agency commission	350 (av)
<b>Overall Total</b>	<b>\$1,222</b>

Source: Placement/recruitment agencies and employers

**Charge to Bangladeshis (av) = \$3,300**

[On minimum wages of \$200 pm – 16.5 – 33 months to repay + interest]

Total Cost (Previous table) = \$1,222

Difference = 2,078

Employer pays airfare 400

**Surplus (Charge – Costs) = \$ 2,478**

Q: How is this 'surplus' disbursed?

Q: What does the employer pay for?

Q: What should the employer pay for?

Q: What should the employee pay for?



# **Case Example**

## **UAE Construction Contractor**

<b>DATE</b>	<b>DESCRIPTION</b>	<b>RATE</b>		<b>Nos</b>	<b>Dr</b>	<b>Cr</b>
21.03.16	LABOUR	3500	X	10		35000
03.04.16	LABOUR	3500	X	9		31500
03.04.16	Cash Paid (Dubai Dirham)				15000	
05.04.16	SCAFFOLDER HELPER	2500	X	9		22500
05.04.16	LABOUR	3500	X	10		35000
06.04.16	Cash Paid (Dubai Dirham)				10000	
13.04.16	LABOUR	3500	X	15		52500
13.04.16	SCAFFOLDER	2500	X	1		2500
13.04.16	SCAFFOLDER HELPER	2500	X	1		2500
17.04.16	PAID TO S.LANKA (T.T)				50000	
20.04.16	LABOUR	3500	X	15		52500
23.04.16	LABOUR	3500	X	1		3500
25.04.16	PAID TO S.LANKA (T.T)				50000	
27.04.16	LABOUR	3500	X	15		52500
01.05.16	PAID TO S.LANKA (T.T)				50000	
02.05.16	LABOUR	3500	X	4		14000
05.05.16	Cash Paid (Dubai Dirham)				15000	



## Cash Express – Send Money

CE No.

Date & Time : 17-OCT-2015 07:46:31 PM

Amount Sent : 1,909,090.91 (SRI LANKAN RUPEE)

User Id / Name:

Destination Country : SRI LANKA

Agent Name :

Destination Agent : BANK OF CEYLON

Agent Branch :

Destination Agent Contact No

Tel :

Destination Agent Address

Receiver Details	FCY Amount	Rate	Charges	Total Amount
Name	LKR 1,909,090.91	0.02618 (M)	AED 20.00	AED 50,000.00
Bank Name: BANK OF CEYLON				
Account No:				

Sender Details	Membership Card No
Name :	
Tel :	
Nationality: BANGLADESHI	

Service Type: Account Transfer

Amount to be collected: AED 50,000.00

Cashier's Signature & Stamp: \_\_\_\_\_

# Kickback Payments

**Bangladesh Recruitment Agency to HR manager of UAE Construction Contractor - > 7,000 employees**

## **2015**

29 direct transfer (TT) payment to Sri Lanka @ AED 50,000

AED 1,450,000 = \$ 394,826

AED 665,000 cash paid = \$ 181,075

**Total = \$ 575,901**

## **2016**

19 direct transfer (TT) payment to Sri Lanka @ AED 50,000

AED 950,000 = \$ 258,679

AED 664,000 cash paid = \$ 180,803

**Total = \$ 439,482**

**2015 + 2016 = \$ 1,015,383**

**Annual labour turnover around 8.5%**

# Migrant Labour Recruitment Charges

Average \$1,000 payment to employer personnel at COD  
**Fraudulent kickback payments (bribery/exaction)**

1000 workers = \$1 mill

1 million workers = \$1 bill

10 million workers = \$10 bill

Flows out of Countries of Origin

e.g. Bangladesh – 500,000 emigrants p.a. (\$500 mill)

Approx 20 million low-skill migrant workers in GCC

Approx 90 million worldwide (?)

## **Labor Market distortion**

Selection on basis of ability & willingness to pay

Deception in wage levels, substitute contracts,  
food allowances

**Debt bondage or Labour Indebtedness, forced  
labor, trafficking for labour exploitation**

## **SDG 8.8**

Protect labour rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment

## **SDG 16.3**

Promote the rule of law at the national and international levels, and ensure equal access to justice for all

## **SDG 16.5**

Substantially reduce corruption and bribery in all its forms

**establishing mandatory, enforceable mechanisms for  
effective regulation and monitoring of the  
recruitment industry**

Many Initiatives  
Much still needs to be done

**FOR DISCUSSION**





# **QATAR REFORMS**

# 103rd Session of the International Labour Conference

28 May-12 June 2014

- Complaint filed against the Government of Qatar relating to the violation of Convention No. 29 (Forced Labour Convention) and Convention No. 81 (Labour Inspection Convention).
- Complaint contained the threat of a Commission of Inquiry into Qatar for not complying with a ratified convention, the ILO's highest-level investigative procedure. (Such Commissions are rare, with only 11 having being conducted in the 100 years since the ILO was established.)
- March 2016 The ILO gave Qatar one year to reform the kafala system and its labour laws before taking a decision on the launch of an official Commission of Inquiry.
- October 2017, Qatar signed a technical cooperation agreement (2018-2020) with the ILO, including a commitment to carry out the Domestic Workers Law and to replace the *kafala* system.
- April 30, 2018 the ILO inaugurated its first project office in Qatar for a three-year cooperation program to achieve these commitments.

# Qatar Reforms 2015-2018

- Changing Employers at end of contract
- Ending 'exit permit' requirement for most workers
- Wage Protection System
- Workers' Support and Insurance fund
- Migrant Domestic Worker Law
- Minimum wage
- Committees for the Settlement of Labour Disputes
- Formation of worker committees and representative joint committees
- Labour Inspections
- Qatar Visa Centers

# ASSESSMENT OF THE WAGE PROTECTION SYSTEM IN QATAR

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ILO Project Office  
for the State of Qatar



# Major Reforms announced in November 2019 for January 2020

‘Real’ abolition of *Kafala* system

- **Abolition of exit visa** for all, including MDWs
- **New Minimum Wage** (with accounting for food and transport)
- **Abolition of NOC requirement** (most significant)  
(NOC = No Objection Certificate)

