

Research Brief

Migrant Worker Recruitment Costs

Philippines

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The **Philippines** is a major country of origin of migrant workers employed in the Middle East, East and Southeast Asia, particularly in services and production-related occupations. The Philippine Overseas Employment Administration (POEA) is a central government agency assigned to monitor and supervise around 1,300 private recruitment agencies across the Philippines. It is responsible for their licensing, hearing and arbitrating complaints, managing incentives and penalties, and setting hiring procedures within which agencies or their principals must operate. Recruitment fees for most categories of workers are set at a maximum of one month of salary, though it is illegal to charge any placement fee to domestic workers and seafarers. Various documentation costs are chargeable and according to POEA should total about US\$500.

POEA is responsible for negotiating bilateral agreements with countries for the protection of workers and also administers hiring schemes with the South Korea and Taiwan governments. It also provides a direct hiring service for government jobs in other countries (such as in public hospitals). POEA also administers an emigration clearance scheme that aims to ensure that employees have been recruited using correct procedures.

Even though centralised control and well established procedures have provided better protection to Filipino overseas workers in comparison to those from other countries, there continue to be problems of excessive fees together with falsified documentation. While significant numbers of agents have their licences cancelled every year (54 in 2014) and the POEA hears over 4,000 new complaints each year,

critics have pointed to a lack of truly punitive measures and to the current method of dispute mediation that is focused on conciliation as two reasons why malpractices persist amongst agents.

Background

Extent of Overseas Employment

Overseas employment of Filipino workers is very important to the Philippines economy. In 2015 remittances totalled around USD28.5 billion, contributing almost 10% to GDP¹. They are an important source of foreign currency earnings and helped relieve under- and un-employment. In 2014 there were 1,431,000 Filipino workers deployed overseas² as new hires or re-hired in that year. The major destination countries and regions are shown in the following table.

Deployed Land-based Overseas Filipino Workers by Destination, New Hires and Re-hires

Destination Country	2010	2014	Increase	CAGR*
Saudi Arabia	293,049	402,837	109,788	8.3%
United Arab Emirates	201,214	246,231	45,017	5.2%
Singapore	70,251	140,205	69,954	18.9%
Qatar	87,813	114,511	26,698	6.9%
Hong Kong	101,340	105,737	4,397	1.1%
Kuwait	53,010	70,098	17,088	7.2%
Taiwan	36,866	58,681	21,815	12.3%
Malaysia	9,802	31,451	21,649	33.8%
Bahrain	15,434	18,958	3,524	5.3%
Canada	13,885	18,107	4,222	6.9%
Italy	25,595	14,786	-10,809	-12.8%
Europe (Ex. Italy)	22,584	15,164	-7,420	-9.5%
Americas (Ex. Canada)	11,728	9,508	-2,220	-5.1%
Africa	25,207	22,240	-2,967	-3.1%
Oceania	12,341	21,311	8,970	14.6%
Asia (other)	62,549	84,032	21,483	7.7%
Middle East (Other)	33,540	32,906	-634	-0.5%
Other	47,468	24,079	-23,389	-15.6%
Total	1,123,676	1,430,842	307,166	6.2%

¹ World Bank Group, April 2016, "Migration and Remittances Recent Developments and Outlook", Migration and Development Brief 26, pages 19-21.

² These statistics relate to people leaving the Philippines. They are not the same as destination country statistics which often count the numbers already working within a country. Nevertheless they provide some indication of major destinations and employment types.

Source: Philippine Overseas Employment Administration (POEA), 2010 – 2014 Overseas Employment Statistics.

* *Compounded annual growth rate.* <http://www.poea.gov.ph/stats/2014%20POEA%20Stats.pdf>

Middle Eastern and Asian countries accounted for over 91% of all destinations in 2014. The largest numbers of workers were employed in Saudi Arabia and United Arab Emirates, followed by Singapore. In terms of growth over the four years to 2014, Malaysia and Singapore stand out as the fastest growing destinations, with annual numbers increasing by 34% and 19% respectively.

Deployed Land-based Overseas Filipino Workers by Major Occupational Group - New Hires

	2010	2014	Increase	CAGR*
Professional, Technical and Related	41,835	53,296	11,461	6.2%
Administrative and Managerial	1,439	1,909	470	7.3%
Clerical	10,706	11,579	873	2.0%
Sales	7,242	8,402	1,160	3.8%
Services	154,535	251,747	97,212	13.0%
Agriculture	1,122	2,462	1,340	21.7%
Production	120,647	149,008	28,361	5.4%
Other	4,440	8,783	4,343	18.6%
Total	341,966	478,176	136,210	8.7%

Source: Philippine Overseas Employment Administration (POEA), 2010 – 2014 Overseas Employment

* *Compounded annual growth rate. Statistics.*

<http://www.poea.gov.ph/stats/2014%20POEA%20Stats.pdf>

By occupation, services and production workers were the major groups.

Recruitment Industry Structure³

Recruitment agencies came to play a significant role in the Philippines' rise as a country of origin of workers from the 1970s, fuelled by the growing demand for Filipino workers which the government (through the Overseas Employment Development Board of the Ministry of Labor and Employment, at that time) could not cope with. As competition for jobs intensified, irregularities in the recruitment and placement process increased and prompted the government to try and ease out the private sector in the recruitment process. This, however, proved to be unsuccessful due to the strong position of the recruitment industry and the expanding overseas employment programme.

³ This discussion draws heavily from:

International Labour Organization (ILO), July 2013, "Assessment of the POEA Awards System for Licensed Land-based and Sea-based Agencies".

http://www.ilo.org/global/topics/labour-migration/publications/WCMS_227524/lang-en/index.htm

Instead, government redirected its focus to the regulation of the private sector and established the Philippine Overseas Employment Administration (POEA) in 1982 to oversee the industry. The POEA has four core functions including industry regulation, employment facilitation, worker protection, and general administrative and support services. The regulatory functions of the POEA may include but are not limited to the following: licensing of recruitment and manning agencies, hearing and arbitrating cases and complaints filed against recruitment/manning agencies, implementing a system of incentives and penalties for private sector participants, setting minimum labour standards, monitoring overseas job advertisements, supervising the government's anti-illegal recruitment programme, and imposing disciplinary actions against employers, workers and seafarers.

According to the ILO, in comparison to other origin countries, the Philippines has been able to promote better working conditions for overseas Filipino workers (OFWs) due to its relatively high degree of institutionalization of labour migration. There are perhaps market factors at play too: there is a demand in some countries, including Singapore, for workers who are proficient in English and it is also the case that Filipinos tend to be regarded as being better trained and/or more highly skilled than most other migrant workers, which would give them an advantage in seeking improved employment terms.

The private agency industry in the Philippines is large, with approximately 1,300 licenced agencies (circa 900 recruiting for land-based jobs and circa 400 recruiting for seafaring jobs). Rules governing their establishment, procedures for recruitment and documentation are extensive and were revised⁴ by POEA in early 2016.

Regulations associated with Recruitment Fees

- No **recruitment fees**⁵ are payable by domestic workers or by any workers recruited to work in the USA (H2B visa), Canada, the UK, Ireland and the Netherlands due to rules in those countries.
- All other employees should be subject to a maximum **recruitment fee** not exceeding one month's salary. The worker is required to pay the fee only after signing the POEA approved contract. A receipt must be issued stating the date of payment and exact amount paid. The rules clearly prohibit the application of other charges as "fees" to the worker⁶.
- Costs that are **chargeable to the worker** are extensively documented in POEA's rules. They include documentation costs incurred within the Philippines which cover the obtaining of personal documentation (passports, birth certificates, and transcripts), medical examination costs and skills testing for the issuance of Certificates of Competency by the Technical

⁴ POEA 2016, "Revised POEA Rules and Regulations Governing the Recruitment and Employment of Land Based Overseas Filipino Workers of 2016.

<http://www.poea.gov.ph/laws&rules/files/Revised%20POEA%20Rules%20And%20Regulations.pdf>

⁵ We have used the term Recruitment fees here, though they are described as Placement fees by POEA.

⁶ POEA 2016, Rule 5 Fees, Costs and Contributions, Section 54.

Education and Skills Development Authority (TESDA). These costs must be documented.

Any other costs must be approved by POEA prior to imposition.

- **Service fees** are only chargeable to principals (the employer or his/her agent).
- Cost that are **the responsibility of the employer** cover Visa, round trip airfares, transportation from airports to jobsites, work and residential permits, POEA processing fees and Overseas Workers Welfare Administration⁷ (OWWA) membership costs and any additional trade testing or assessments.

The total cost for workers⁸ should be around US\$100 plus a placement fee of one month of salary, if applicable. The largest additional costs borne by workers are usually for training in order to pass the Technical Education and Skills Development Authority (TESDA) assessment. According to the NGO, The FAIR Hiring Initiative, workers can pay anywhere from PHP17,000-60,000 (US\$370-US\$1,300) for a course inclusive of accommodations, meals, and transportation to Manila, Cebu or Davao where the courses are run. In some cases applicants stay in Manila for months, often made to work at the agency owner's home or put to work elsewhere, but are charged for housing and meals. According to The FAIR Hiring Initiative, none of these fees are monitored by the POEA.

Procedures for the Hiring of Employees

In order to eliminate illegal practices associated with labour trafficking, the Philippines requires all employers and prospective employees to follow procedures set by law.

Recruitment

POEA stipulates⁹ that foreign companies must place their manpower requirements through POEA-licensed private employment agencies. A Philippine-licensed agency may advertise, screen and interview applicants as part of its services for the foreign principal or agent.

The offshore employer (or their offshore agent) who has identified a Philippine agent to source employees must submit the recruitment documents to a Philippine Overseas Labor Office (POLO) at a Philippine Embassy or Consulate for verification. This is to ensure that the employer is legitimate and the terms and conditions of employment are acceptable.

⁷ The Overseas Workers Welfare Administration (OWWA) is part of the Department of Labor and Employment (DOLE) and like POEA is tasked to protect and promote the welfare and well-being of Overseas Filipino Workers (OFWs) and their dependents. While POEA provides support to workers while they are in the Philippines, OWWA supports workers after they have been deployed overseas. Documented OFWs go to OWWA to know their benefits, how to avail them, or request assistance when overseas.

See: <http://www.ofwabroad.com/2013/08/05/what-is-the-difference-between-poea-and-owwa/#sthash.rmYejGaq.dpuf>

⁸ Estimates provided by the The FAIR Hiring Initiative, Marie Apostol.

⁹ <http://www.poea.gov.ph/about/hiring.htm>

Before leaving the Philippines, workers are required to undergo medical examinations at government-accredited medical clinics or hospitals and must be trade-tested or trained at training centres authorized by the government.

Immigration Clearance

After documentation and training is complete, workers must obtain a Philippines exit clearance document called an Overseas Employment Certificate (OEC). This certifies that the recruitment and documentation is correct and also provides relief from on-shore travel and airport terminal taxes/fees. An ID card is also issued to serve as proof of overseas employment for future entrance to and exit from the Philippines.

Direct Hiring Schemes administered by POEA

Government to Government

POEA offers a direct hiring facility for overseas public sector jobs such as in government-run hospitals in other countries through its Government Placement Branch (GPB). In 2011 (the latest year data is available) it placed 5,784 workers, but this represented only 1.3% of the total people deployed in land-based foreign jobs that year.

Special Hiring Program for Taiwan

In August 2015 the Philippine Overseas Employment Administration (POEA) launched a Special Hiring Program¹⁰ for Taiwan (SHPT) under a government-to-government agreement under which POEA will facilitate the processing of overseas Filipino workers applying for manufacturing, construction, fishery, domestic service and care-giving jobs in Taiwan. Applicants complete an internet-based application¹¹ selecting Taiwan as their destination. According to POEA, if selected by a potential Taiwanese employer, they pay about US\$500 before embarkation and post-arrival salary deductions of up to US\$20 per month for informal workers (domestic helpers) and between US\$29 to US\$248 in the formal employment sector (such as manufacturing). Monthly deductions cover insurance, food and accommodation and taxes. The POEA says that these charges are much lower than the PHP90,000 (US\$2,000) to PHP160,000 (US\$3,500) some recruitment agencies charge workers. Employers using the system save agency introduction fees¹² (presently NT\$20,008 (US\$633)).

Korea Employment Permit System (EPS-KLT)

¹⁰ Medenilla Samuel, August 31, 2015, "POEA launches direct hiring service for Taiwan jobs", Manila Bulletin.

<http://www.mb.com.ph/poea-launches-direct-hiring-service-for-taiwan-jobs/#OPq19IpOjM0GX7Rt.99>

¹¹ <http://www.epoegaservices.poea.gov.ph/ereg/ereg.asp>

¹² Taiwan News, August 3 2015, "Taiwan, Philippines sign cooperation guidelines for hiring workers" http://www.etaiwannews.com/etn/news_content.php?id=2781298

South Korea's Employment Permit System (EPS) is a government-run hiring scheme for foreign workers which was set up to curb illegal recruitment and abuse. The scheme is the only way for South Korean employers to legally access foreign workers. Korean Language Training (KLT) is required under the EPS and applicants must pass a test in order to be listed for prospective employers. There are age limits and minimum education requirements that must also be met.

POEA coordinates Philippines-side registration, training and testing associated with the system. Jobs in Korea for male foreign workers are usually in construction, manufacturing, and agriculture while female workers tend to work in the clothing and electronics industries. Approximately¹³ 40,000 Filipinos were working in South Korea under this scheme by 2012.

While the EPS has advantages for employees, there has been criticism and calls for it to be strengthened. The Open Working Group on Labour Migration and Recruitment¹⁴ has pointed out that while recruitment fees for workers from the Philippines are low under this scheme, those for workers from other countries can be much higher. They also suggest that quotas applied to workers in the country of origin can unfairly affect applicants who pay for skills and language training only to miss out on placements. Other criticisms include the continued use of employer-tied visas that deter employees from asserting their rights when abuses occur.

Incentivising and Controlling Agents

Agency Awards

POEA has been running an agency awards scheme since 1984 to incentivise good practice in the industry. The scheme is linked to POEA's evaluation of agency performance in connection with the agencies' license renewal. There are several awards¹⁵ based on multiple criteria (deployment rates, technical capabilities, compliance with rules, leadership and social awareness), as well as special citations or awards to agencies that demonstrate exemplary performance according to specific criteria, such as deploying displaced workers or extending efforts to provide support to OFWs in times of crisis. To qualify for the awards, licensed agencies must not have had any suspension of licences, no more than a minimum ratio of complaints relative to deployed workers, and should have deployed at least 1,000 workers over the review period (now four years).

An assessment of the scheme undertaken by the ILO¹⁶ in 2014 concluded that, on the whole, the scheme was a useful part of POEA's governance of the recruitment industry, though improvements could be

¹³ Philippine News Agency, December 14, 2012, "POEA offers faster process for Pinoys seeking jobs in Korea", <http://www.interaksyon.com/article/50400/poea-provides-faster-process-for-pinoys-seeking-jobs-in-korea>

¹⁴ Open Working Group on Labour Migration and Recruitment, Policy Brief #2, 2014 "South Korea's Employment Permit System. A Successful Government-to-Government Model?"

¹⁵ See the following link for award types and evaluation categories: <http://www.poea.gov.ph/mcs/MC%202013/MC-03-2013.pdf>

¹⁶ International Labour Organization (ILO), 2014 "An Assessment of the Philippine Overseas Employment Administration's (POEA) Agency Performance Awards", Maruja M.B. Asis and Stella P. Go.

made. For example, knowledge of the awards was not extensive and there were misunderstandings of their purpose and basis. It was also noted that the views of migrant workers¹⁷ were not taken into account in the assessment process. According to The FAIR Hiring Initiative, the awards do not really incentivize good practices such as zero fees to workers, non-retention of passports, effective grievance mechanisms, ensuring workers clearly understand contract terms or good post-deployment worker communication channels. The focus on larger firms based on quantity of deployment also introduces bias.

Punitive measures

Under rules¹⁸ introduced in 2002, various penalties, including suspension and cancellation of agency licenses, are used. Violations are classified as “serious”, “less serious” and “light”. Serious offences, including overcharging of recruitment fees, are punishable by the immediate cancellation of the agency’s license for a first offence. For “less serious” violations, such as premature collection of fees or collection of fees from a worker without issuing a receipt¹⁹, the agency’s license is cancelled only on the third offence; however, the first two offences are punishable by a suspension of two to six months and six months to one year, respectively. Light violations, such as failure to deploy a worker within the prescribed period without a valid reason, result in the licence’s cancellation only on the fourth offence. Immediately following this system’s introduction, recruitment violation claims filed against agencies, including serious violations, declined drastically. However, the volume of violation claims rose markedly from 2005 to 2009, suggesting that the deterrent effect was temporary²⁰.

Based on conciliation²¹, the complaints resolution process is intended to lead to amicable settlements of cases, but it has been suggested that it allows agencies that have transgressed the rules to get away with lighter penalties²². While this is a deficiency, conciliation is the preferred mode of dispute settlement because it avoids potentially long and litigious court processes which would probably result in far fewer cases being surfaced. Nevertheless, NGO’s²³ have posed the question of whether workers refrain from reporting abuses such as overcharging through fear of losing work opportunities. In 2015, POEA

http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-manila/documents/publication/wcms_316229.pdf

¹⁷ According to The FAIR Hiring Initiative, the assessment of agencies is based largely on a desk review and results are not corroborated by interviews with workers. As a result award-winning agencies have been found later to be complicit in serious violations of workers’ rights, which puts the awards screening process into question.

¹⁸ ILO 2014, pages 30 to 36.

¹⁹ According to The FAIR Hiring Initiative non-issuance of receipts in order to not leave paper trails is potentially linked to serious overcharging violations. Sometimes the extent of overcharging is concealed by only issuing receipts for allowable fees or costs.

²⁰ ILO 2014, page 31.

²¹ In 2010, DOLE established Single Entry Approach Desks (SEADs) nationwide to serve as entry points in speeding up the resolution of cases affecting workers, employers and agents. Under this approach all disputes undergo a 30-day mandatory conciliation-mediation process to effect settlement. Only unresolved cases are then subject to either voluntary or compulsory arbitration under the National Labor Relations Commission (NLRC).

²² ILO 2014, page 32.

²³ The FAIR Hiring Initiative. Personal communication of Marie Apostol.

adjudicated²⁴ over 4,000 new cases. Most were related to collection of excessive fees, non-issuance of receipts, misrepresentation, withholding workers' travel documents, and failure to deploy the hired workers.

What is more difficult to monitor and eradicate are the activities of the illegal recruitment agencies²⁵ and individuals. This is tackled using surveillance operations, legal assistance to victims of illegal recruitment and information and education campaigns. For example in 2015 POEA introduced a mobile phone application where job seekers can verify the recruitment agency's license status. Over 100,000 copies of the application had been downloaded by the end of the year.

Licensing

Agencies seeking licences need to meet various criteria set out in POEA's rules. One important criterion is to ensure that they are of a sufficient size and have the depth of capital to respond to the needs of the deployed workers should there be problems. Licences require a minimum capitalization; an escrow and savings account deposit minimums, a surety bond and payment of a licence fee. When licences are renewed, escrow amounts are adjusted upwards based on the number of pending recruitment violations cases involving the agent. These terms are intended to deter bad practitioners and those who would simply be unable to sustain their operations in an ethical way.²⁶

Resolving disputes in the country of employment after returning to the Philippines

Under the Philippine Labour Code, there is provision for Joint and Solidary Liability for employee claims which means that both the Philippine recruitment agency and the foreign principal/employer can be held individually liable for the entire amount of a claim or obligation due to the Filipino worker while working abroad.

This provision was introduced to help migrant workers to take action against their foreign employers. Once employment is terminated, migrant workers have very few options as they are frequently deported or opt to return to the Philippines without receiving their unpaid salaries, benefits and other monetary claims. Once back they have no means to seek compensation from foreign employers or their foreign agents.

Once a judgment is made in favour of the worker, the Philippines agent is liable to pay compensation from court bonds, escrow deposits required for securing operating licences, insurances, or assets of the

²⁴ POEA News Advisory, December 18, 2015, "POEA nears target in disposition of cases",

²⁵ ILO 2014, pages 34 and 35.

²⁶ On the other hand, it can be argued that they could also impede the establishment of new agencies set up on the avowed basis of providing services to workers in an equitable way. One possible answer to this problem would be to incentivise them, perhaps by allowing for reduced financial commitments in exchange for requiring them to accept a higher level of scrutiny or offering some other encouragement.

agency or its principals. It is then subsequently up to the agent to take action against the employer in the foreign country.

In practice²⁷ the legal process is long and often beyond the means of a returning worker. Security for monetary claims can also be insufficient and sometimes the agency concerned has ceased operations and has no known assets. Furthermore, the foreign employer is mostly not held accountable for the violation of rights of the migrant worker as the Philippine recruitment agency usually absorbs the costs due to the difficulties and costs of pursuing the other party in foreign courts.

Migrant Forum in Asia has made several recommendations²⁸ including simplifying the legal process, requiring foreign employers to post bonds in Philippine Embassies/consulates to answer worker claims, and to establish bilateral agreements with countries of destination to provide on-site mechanisms for the equitable and speedy resolution of claims.

Other Initiatives

In mid-2015, POEA introduced an online version of the Pre-Employment Orientation Seminar designed to provide easy access to information on overseas employment. Aside from the step-by-step learning modules, the system also contains video and slide presentations on how to apply for overseas jobs, the expenses and costs involved, how to avoid illegal recruitment, and the pros and cons of working overseas. Some 75,000 users registered with the service in the second half of 2015.

In 2014, POEA ruled that agencies must establish Facebook (FB) accounts that are open to placed employees. According to POEA, FB is an effective communication platform for workers to allow them to maintain contact with their families, report problems and for documentation of complaints. Some in the agency industry reacted negatively to this initiative²⁹, though it was widely supported.

As many of the regulatory limitations (especially on fees) stem from dual jurisdictional difficulties, POEA continues to pursue the bilateral agreements with destination countries. In 2015 it was working with Saudi Arabia and Kuwait as a priority. Existing agreements are set out in Attachment 1.

Effectiveness of Current Policies

Even though the Philippines has extensive regulations and procedures in place to protect workers going abroad, cases of abuses persist on and off-shore. According to the ILO, there are loopholes that breed irregularities and violations that undermine the protection of these workers. The International

²⁷ Migrant Forum in Asia, "Policy Brief No. 11: Joint & Several Liability of Recruitment/Placement Agencies with the Principal/Employer under Philippine Laws". Winter 2014. This brief explores the whole issue thoroughly.

²⁸ *ibid.* Page 6.

²⁹ InterAksyon.com, July 13, 2015, "POEA chief responds to recruiters' plan to protest strict anti-trafficking enforcement", <http://www.interaksyon.com/article/114078/poea-chief-responds-to-recruiters-plan-to-protest-strict-anti-trafficking-enforcement>.

Organization for Migration's 2013 Philippine Country Migration Report³⁰ suggested that one of the country's challenges was to effectively administer legal provisions and policies that were already in place. Illegal practices, particularly the overcharging of recruitment fees and contract substitution to avoid compliance with POEA rules, have marred the sector for a long time and, in the IOM's view, the punitive measures have not produced the necessary results.

Errant practices by agencies in the Philippines still appear to be widespread. POEA cancelled the licences³¹ of 54 agents in 2014 (63 in 2013), or about 5% of all licenced agents. Many more agents would have committed offences, though not so severe or frequent as to trigger licence cancellations.

POEA has faced criticisms of over-regulation and burdensome processes³² from within the industry, especially for delays in processing the Overseas Employment Certificate (OEC), a government document issued to every departing OFW³³. POEA has responded³⁴ by streamlining procedures and introducing more on-line and internet-based processes that provide faster access to OECs.

There are clearly problems with the Philippines' regulatory framework – perhaps the most comprehensive of any country of origin – as far as migrant workers are concerned, to judge by evidence from countries of destination. In Singapore, TWC2 encounters domestic workers who came without going through the official framework: they left the Philippines as tourists and found jobs once they arrived. When questioned, they said that in this way, they saved having to bear any costs in the Philippines. Those assisted by illegal recruiters end up paying less than they would by going through the POEA route and therefore do not consider themselves to be “victims” of illegal recruiters.

Many workers asked about the cost of obtaining a job in Singapore report paying amounts well in excess of maximums stipulated by the Philippines and Singapore governments. Significant salary deductions seem to be accepted as normal by many workers. At the time of writing, it is unclear how this money is ultimately divided between Singapore and Philippine agencies or what the ostensible purpose of the charges is. What is clear is that, despite the Philippines' zero-fee rule and Singapore's cap of a fee equal to two months' salary for a two year contract period for Singapore agencies, many – probably most – Filipina domestic workers are paying excessive salary deductions, though TWC2 research suggests that there has been some reduction in the salary deduction period. This may in part be due to salaries tending

³⁰ International Organization for Migration, Scalabrini Migration Center & Government of the Philippines, 2013, “Country Migration Report: The Philippines”, page 207.

<https://www.iom.int/files/live/sites/iom/files/Country/docs/CMReport-Philippines-2013.pdf>

³¹ POEA News Advisory, 10 April 2015, “POEA lists recruitment agencies with licenses cancelled in 2014”

http://www.poea.gov.ph/news/2015/PR_April2015_Cancelled_Agencies.pdf

³² InterAksyon.com, July 13, 2015, “POEA chief responds to recruiters' plan to protest strict anti-trafficking enforcement” <http://www.interaksyon.com/article/114078/poea-chief-responds-to-recruiters-plan-to-protest-strict-anti-trafficking-enforcement>

³³ Arab News, Wednesday 15 July 2015, “Why OFWs must rally behind POEA chief”,

http://www.arabnews.com/news/776721?quicktabs_stat2=0

³⁴ POEA News Release, December 18, 2015, “Implementation of online systems tops POEA's 2015 accomplishments”, <http://www.poea.gov.ph/news/2015/2015.htm>

to rise faster than agency charges in the past few years, but there is reason to think that the curbs on agency charges imposed by the Philippines and Singapore governments have also had a positive impact, at least for some workers.

The full extent of this problem may be disguised from the government of the Philippines by the practice of contract substitution, in which many domestic workers cooperate, believing that the alternative to accepting terms inferior to those stipulated in the Philippines is to not find a job.

Overall, despite the Philippines putting into place a series of measures intended to curb recruitment costs for migrant workers, many are still burdened with costs that defer and detract from the benefits they had hoped to gain through working overseas.

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Attachment 1 Bilateral Agreements

COUNTRY	TITLE / SUBJECT	DATE
BAHRAIN	Memorandum of Agreement Between the Republic of the Philippines and the Kingdom of Bahrain on Health Services Cooperation http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-BAHRAIN.pdf	April 24, 2007
CANADA		
Alberta	Memorandum of Agreement Between the Republic of the Philippines (DOLE) and The Ministry of Employment and Immigration of Alberta (E&I) Concerning Cooperation in Human Resource Deployment and Development http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-ALBERTA.pdf	October 1, 2008
British Columbia & Alberta	Draft of Implementing Guidelines for the Memorandum of Understanding with British Columbia and Alberta http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-ALBERTA(implementing%20guidelines).pdf	
British Columbia	Memorandum of Understanding Between the Department of Labour and Employment of the Government of the Republic of the Philippines (DOLE) and The Ministry of Economic Development of the Government of British Columbia, Canada (ECDV) Concerning Co-Operation in Human Resource Deployment and Development http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-BRITISH%20COLUMBIA.pdf	January 29, 2008
Manitoba	Memorandum of Understanding Between The Department of Labour and Employment of the Government of the Republic of the Philippines (DOLE) and The Department of Labour and Immigration of the Government of Manitoba, Canada(LIM) Concerning: Co-Operation in Human Resource and Deployment http://www.poea.gov.ph/laborinfo/bilateralLB/BLA PH Manitoba2010.pdf	February 8, 2008
Manitoba	Memorandum of Understanding Between The Department of Labor and Employment of the Republic of the Philippines (DOLE) and The Department of Labour and Immigration of the Government of Manitoba, Canada Concerning: Co-Operation in Human Resource Deployment and Development http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/MOU%20Manitoba%202010.pdf	September 21, 2010
Manitoba	Guidelines for the Implementation of the Memorandum of Understanding Between The Department of Labor and Employment of the Republic of the Philippines (DOLE) and The Department of Labour and Immigration of the Government of Manitoba, Canada Concerning: Co-Operation in Human Resource Deployment and Development http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/Manitoba_implementing%20g	September 21, 2010

Saskatchewan	Memorandum of Understanding Between the Republic of the Philippines (DOLE) and Her Majesty The Queen in the Right of the Province of Saslachewan as represented by the Minister Responsible for Immigration and the Minister of Advanced Education and Employment (AEE) Concerning Cooperation in the Fields of Labour, Employment and Human Resource Development http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-SASKATCHEWAN.pdf	December 18, 2006
CNMI	Memorandum of Understanding Between the Republic of the Philippines (DOLE) and The Commonwealth of the Northern Mariana Islands (CNMI) http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-CNMI%201994.pdf	September 14, 1994
CNMI	Memorandum of Understanding Between the Republic of the Philippines (DOLE) and The Commonwealth of the Northern Mariana Islands (CNMI) http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-CNMI%202000.pdf	December 18, 2000
GERMANY	Agreement Concerning the Placement of Filipino Health Professionals in Employment Positions in the Federal Republic of Germany. http://www.poea.gov.ph/docs/Agreement_Ph_Germany%20Nurses.pdf	March 19, 2013
INDONESIA	Memorandum of Understanding Between the Republic of the Philippines (DOLE) and the Department of Manpower and Transmigration of the Republic of Indonesia Concerning Migrant Workers http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-INDONESIA.pdf	January 18, 2003
IRAQ	Memorandum of Agreement Relating to Mobilization of Manpower Between the Republic of the Philippines and the Republic of Iraq http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-IRAQ.pdf	November 25, 1982
JAPAN	Memorandum of Understanding Between the Philippine Overseas Employment Administration and the Japan International Cooperation of Welfare Services on the Deployment and Acceptance of Filipino Candidates (JPEPA) http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-JPEPA.pdf	January 12, 2009
JORDAN	Memorandum of Understanding Between the Minister of Labor of the Republic of the Philippines and the Minister of Labor of the Hashemite Kingdom of Jordan http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-JORDAN%201981.pdf	December 5, 1981
JORDAN	Agreement on Manpower Between the Government of the Republic of the Philippines and the Government of the Hashemite Kingdom of Jordan http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-JORDAN%201988.pdf	December 3, 1988

JORDAN	Memorandum of Understanding on Labor Cooperation Between the Government of Hashemite Kingdom of Jordan and the Government of the Republic of the Philippines http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/bla_jordan.pdf	May 27, 2010
JORDAN	Principles and Controls for Regulating Deployment and Employment of Filipino Domestic Workers between the Government of the Hashemite Kingdom of Jordan/ Ministry of Labor and the Government of the Republic of the Philippines/ Department of Labor and Employment	January 29, 2012
KOREA	Memorandum of Understanding Between the Department of Labor of the Philippines and the Ministry of Labor of the Republic of Korea on the Sending of Workers to the Republic of Korea http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-KOREA%202004.pdf	April 23, 2004
KOREA	Memorandum of Agreement Between the Republic of the Philippines and the Republic of Korea http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-KOREA%202005.pdf	December 15, 2005
KOREA	Memorandum of Understanding Between the Department of Labor and Employment of the Philippines and the Ministry of Labor of the Republic of Korea on the Sending and Receiving of Workers to the Republic of Korea under the Employment Permit System http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-KOREA%202006.pdf	October 20, 2006
KOREA	Memorandum of Understanding between the Ministry of Labor, Republic of Korea and the Department of Labor and Employment, Republic of the Philippines on Cooperation in the Field of Labor and Manpower Development http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-KOREA%202009.pdf	May 30, 2009
KOREA	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 http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-KOREAEPS%202009.pdf	May 30, 2009
KOREA	Memorandum of Understanding between the Department of Labor and Employment of the Republic of the Philippines and the Ministry of Employment and Labor of the Republic of Korea on sending and receiving of Filipino workers to the Republic of Korea under the Employment Permit System for Foreign Workers. http://www.poea.gov.ph/epstopik/dole_moel_mou_eps_2014.pdf	April 8, 2014

KOREA	Service Commitment Agreement of EPS-TOPIK and Skills Test between the Philippine Overseas Employment Administration of the Department of Labor and Employment and the Human Resources Development Service of Korea. http://www.poea.gov.ph/epstopik/eps_topik_service%20agreement%202014.pdf	April 10, 2014
KUWAIT	Memorandum of Understanding on Labor and Manpower Development Between the Government of the Republic of the Philippines and the Government of the State of Kuwait http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-KUWAIT.pdf	September 14, 1997
KUWAIT	Memorandum of Understanding Between the Department of Foreign Affairs of the Republic of the Philippines and the Ministry of Foreign Affairs of the State of Kuwait on the Establishment of Bilateral Consultations http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/MOU-KUWAIT.pdf	September 14, 1997
LAO PDR	Memorandum of Understanding on Technical Cooperation on Labor and Employment Between the Government of the Republic of the Philippines and the Government of the Lao People's Democratic Republic http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-LAO,%20PDR.pdf	July 27, 2005
LIBYA	Agenda for Cooperation in the Field of Labor, Employment and Manpower Development Between the Philippines and Libya http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-LIBYA%201979.pdf	October 18, 1979
LIBYA	Memorandum of Understanding Between the Philippines and Libya (with Arabic Version) http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-LIBYA%202006.pdf	July 17, 2006
NEW ZEALAND	Memorandum of Agreement on Labour Cooperation Between the Government of the Republic of the Philippines and the Government of New Zealand http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-NEW%20ZEALAND.pdf	November 4, 2008
NORWAY	Agreement Between POEA and the Directorate of Labour Norway on Transnational Co-Operation for Recruiting Professionals from the Health Sector to Positions in Norway http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-%20NORWAY.pdf	June 26, 2001
PAPUA NEW GUINEA	Memorandum of Understanding Between the Philippines and Papua New Guinea http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-%20PNG.pdf	March 14, 1979

QATAR	Agreement Between the Government of the Republic of the Philippines and the Government of the State of Qatar Concerning Filipino Manpower Employment in the State of Qatar http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-QATAR.pdf	May 10, 1997
QATAR	Additional Protocol to the Agreement between the Government of the Republic of the Philippines and the Government of the State of Qatar Concerning Filipino Manpower Employment in the State of Qatar signed on 10 March 1997 http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-QATAR%20(ADDITIONAL%20PROTOCOL).pdf	October 18, 2008
SAIDI ARABIA	Agreement on Domestic Worker Recruitment between the Ministry of Labor of the Kingdom of Saudi Arabia and Department of the Republic of the Philippines http://www.poea.gov.ph/docs/PH%20KSA%20MOA.pdf	May 19, 2013
SPAIN	Memorandum of Understanding on Cooperation for the Management of the Migration Flows Between the Ministry of Labor and Social Affairs of the Kingdom of Spain and the Ministry of Labor and Employment of the Republic of the Philippines (English Version) http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-SPAIN%20(ENGLISH%20VERSION).pdf	June 29, 2006
SWITZERLAND	Agreement Between the Government of the Republic of the Philippines and the Swiss Federal Council on Exchange of Professional and Technical Trainees http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-SWITZERLAND.pdf	July 2, 2002
TAIWAN	Memorandum of Understanding between the Manila Economic and Cultural Office (MECO) in Taipei and the Taipei Economic and Cultural Office (TECO) in the Philippines regarding the Special Hiring Workers http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-TAIWAN%20(MOU-MECO)1999.pdf	September 3, 1999
TAIWAN	Memorandum of Understanding on Special Hiring Program for Taiwan Between the Manila Economic and Cultural Office in Taipei (MECO) and the Taipei Economic and Cultural Office (TECO) in the Philippines http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-TAIWAN%202001.pdf	January 12, 2001
TAIWAN	Memorandum of Understanding on Special Hiring Program for Taiwan Between the Manila Economic and Cultural Office (MECO) in Taipei and the Taipei Economic and Cultural Office (TECO) in the Philippines http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-TAIWAN%20(MOU-MECO)2003.pdf	March 20, 2003

TAIWAN	MOU, Special Hiring Program for Taiwan http://www.poea.gov.ph/shpt-ides/shpt-ides.html	2015
UAE	Memorandum of Understanding between the Government of the Republic of the Philippines and the Government of the United Arab Emirates in the Field of Manpower http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-UAE%20(ENGLISH%20VERSION).pdf	April 9, 2007
UNITED KINGDOM	Memorandum of Understanding between the Government of the Philippines and the Government of the Kingdom of Great Britain and Northern Ireland on Healthcare Cooperation http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-UK%20(MOA)%202003.pdf	July 30, 2003
UNITED KINGDOM	Recruitment Agreement Between the Government of the Republic of the Philippines and the Government of the United Kingdom of Great Britain and Northern Ireland http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-UK%202002.pdf	January 8, 2002
UNITED STATES OF AMERICA	Agreement Between the Government of the Republic of the Philippines and the Government of the United States of America Relating to the Recruitment and Employment of Philippines Citizens by US Military Forces and Contractors of Military and Civilian Agencies of the US Government in Certain Areas of the Pacific and the Southeast Asia http://www.poea.gov.ph/lmi_kiosk/Bilateral%20Agreements/BLA-USA.pdf	December 28, 1968
Multiple Countries	Labor Agreements for Seafarers. Summarised in: http://www.poea.gov.ph/blas/BLA_Seafarers.pdf	-

TWC2 Recruitment Costs Research Working Group

The great majority of migrant workers pay large sums of money in order to obtain jobs in other countries. The costs, often exorbitant, leave workers debt-ridden and in a more vulnerable position to pernicious labour abuse. At TWC2, we recognise the consequences of recruitment costs and the urgent need to eliminate such fees.

This report is part of a series of papers analysing the policies in various countries regulating recruitment costs. Through this evaluative process, we hope to be able formulate effective policy recommendations in reducing the recruitment costs of workers who come to Singapore.



The full list of our country briefs and other TWC2 reports can be found at:
<http://twc2.org.sg/category/articles/research/>

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