THEORY OF CHANGE

Working Together to End Migrant Worker Exploitation in Business Operations and Supply Chains
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Introduction

International migration increased from 220 million in 2010 to 258 million in 2017. Migration for work can generate large benefits for migrants, their families, and countries of origin, not just in terms of income, but also in the welfare and human development of migrants’ families. At the same time improper regulation of migration corridors and unscrupulous business behaviour leaves migrant workers highly vulnerable to a range of risks including deceptive recruitment practices and debt bondage amongst others.

Wider acknowledgement by business and industry groups of migrant workers as a vulnerable group has resulted in a focus on ethical labour recruitment. This has prompted a steady increase in business’ internal adoption of policies on migrant workers, as well as a burgeoning of international, multi-stakeholder initiatives aiming to draw greater commitment and action to end exploitation of migrant workers.

An important paradigm shift in corporate responsibility has been the increasing efforts of companies to pool resources and expertise to solve common issues. Through collaboration, stakeholders joining forces can become key market differentiators in the long term.

While there is a growing consensus about root causes and joint principles and objectives, such as the elimination of recruitment fees, various multi-stakeholder dialogues have identified the need for an overarching Multi-stakeholder Theory of Change (TOC) to achieve sustainable and systemic change.

Through its Corporate Responsibility in Eliminating Slavery and Trafficking Initiative (CREST), IOM has developed the TOC with input from the private sector, expert organizations, civil society, as well as representatives from international organizations. It identifies the roles of different actors in bringing about the desired change to current recruitment and employment practices of migrant workers.

The overall goal of the TOC is that all migrant workers have access to and can enjoy decent work through ethical recruitment channels.

This entails that all workers experience safe and legal migration and working conditions along the entire migration journey, from pre-migration and recruitment, to employment, to return and reintegration.

GLOBALLY

25 MILLION

PEOPLE IN SITUATIONS OF FORCED LABOUR
Chapter I. Introduction

Theory of Change to End Migrant Worker Exploitation

State of Play

Migrant workers across the world are vulnerable to exploitation throughout the recruitment process at their countries of origin, throughout their employment in another country, to the time when they return home. We have identified six root causes that perpetuate these vulnerabilities and lead to continued exploitation.

Lack of Knowledge: Workers, recruiters, and employers lack knowledge regarding what fees and costs should legitimately be paid by whom and what good practice looks like. Governments lack knowledge and awareness of ethical recruitment practices and international standards. Leading buyer firms are aware of the issues but do not know which initiatives to engage with as there is a lack of cohesion across the industry. Other businesses have varying levels of knowledge about practices and standards.

Recruitment Fees: Workers across Asia pay high fees to get jobs, often entering into debt bondage as a result. Fees charged are inflated at exorbitant rates and do not reflect the true costs of recruitment. Whereas employers should bear the primary costs of recruitment, workers currently bear all or most of these costs.

Lack of Transparency: There is lack of transparency around the recruitment process across Asia. The legal process for recruitment, and costs to be paid by workers are not clear and leave room for interpretation. Lack of transparency in government, employer, and recruitment practices also support corrupt systems where it is easy to exploit worker vulnerability.
**Lack of Effective Grievance Mechanisms:** Provision of grievance mechanisms and remedy is weak in most countries across Asia. Key stakeholders responsible for providing grievance mechanisms to workers include governments, employers, NGOs, and trade unions, but many lack knowledge, capacity and resources to implement effective mechanisms. The lack of effective grievance mechanisms means that workers do not have a voice, weakening their power to negotiate and protect their rights, and contributing to their continued dehumanization.

**Dehumanization:** In many countries entrenched discriminatory attitudes to migrant workers and minority groups lead to dehumanization of workers. As a result, exploitation continues to be normalized and accepted.

**Weak Governance:** Corruption and weak governance systems across Asia mean that migrant workers have little protection or support during recruitment, employment, and repatriation. Recruitment processes are not effectively managed, and costs are not documented. Where corruption is common, and laws are not properly enforced, it is easy and natural for recruiters and employers to charge workers high recruitment fees. This puts workers in debt and exacerbates other vulnerabilities.

These root causes are interlinked in many ways. For example, a lack of transparency around what recruitment fees and related costs are and who should pay them, combined with weak governance and a lack of enforcement against exploitative recruiters, means that workers continue to be charged fees by unscrupulous actors.

At the same time, lack of knowledge on how to move towards best practice across all stakeholder groups entrenches the status quo. In order to identify an effective TOC, the interlinkages between all root cause problems need to be recognized and proposed actions should be designed to address them.
The Goal

The overall goal of the TOC is to ensure that all migrant workers have access to and can enjoy decent work through ethical recruitment channels.

This entails that all workers experience safe and legal migration and working conditions along the entire migration journey, from pre-migration and recruitment, to employment, to return and reintegration.

This goal works in tandem with the Sustainable Development Goals. Specifically, it relates to target 8.7 to eradicate forced labour, end modern slavery and human trafficking and 10.7 facilitate orderly, safe, and responsible migration and mobility.

The interim goal is to see progressive and continuous improvement of workers access to and enjoyment of decent work through ethical recruitment channels, including the progressive reduction of recruitment fee costs over time. Progress against this interim goal should be measured over time.

In response actions taken based on the TOC, the impact on migrant workers should be:

- Increased access to ethical recruitment channels, including through elimination of fees charged to job seekers, with reduction of workers in debt and debt bondage
- Greater protection of migrant worker rights in the migration cycle
- Elimination of abuse, exploitation, and discrimination in the recruitment and employment phase
Key Outcome Areas

1. **Knowledge**
   - Stakeholders have complete, consistent and accurate information about the recruitment process.

2. **Transparency**
   - Workers are recruited through transparent recruitment processes.

3. **Effective remedy**
   - All stakeholders understand what an effective grievance mechanism is and workers have access to effective remedy.

4. **Recruitment fees**
   - Workers are recruited through ethical recruitment channels and do not pay illegal fees and have transparent information on any costs they do pay.

5. **Culture**
   - Workers are treated with respect in the home & host country both at work and outside work.

6. **Governance**
   - Destination and source governments create a framework that protects migrant workers.

Migrant workers of all genders have access to and can enjoy decent work through ethical recruitment channels.
Knowledge

Status Quo

Given the informal nature of recruitment in countries of origin, which often happens through word of mouth or sub-agents, there is little transparency around what the recruitment process involves. As a result, many workers essentially migrate without knowledge or certainty about where and in what kind of job they will end up.

In other contexts, workers may be aware of the type of job they are applying for but have no visibility of the fees they are required to pay, or no alternative choices or ability to negotiate the market.

Similarly, knowledge and awareness about ethical recruitment practices among governments, employers, and recruiters is low; recruitment processes are not effectively managed, and costs are not documented.

Leading buyer firms are aware of issues but often do not know which initiatives to engage in, while other businesses have varying levels of knowledge about practices and standards.

Barriers and Enablers

Barriers to workers accessing information about migration and employment are wide-ranging and include language (published information may be available in only one national language, excluding ethnic minority groups), location (workers based in remote locations may not have access to information) and literacy (information may not be accessible through channels that are accessible to illiterate populations, e.g. radio).

There is opportunity to democratize workers’ ability to access information through information campaigns at various levels and the use of different technologies and information campaign techniques to ensure access for all potential migrants.

Barriers for employer and recruiter include the business benefits for sub-agents, agents, and employers that results from workers’ lack of knowledge. There is opportunity to reframe this approach by clearly communicating the business benefits of workers knowing their rights and working productively.

There is also an opportunity for international organizations to support capacity-building of governments, NGOs, and community organizations, helping them to build their knowledge of issues and how to tackle them, as well as effective communication channels for dissemination of information.
Target Outcomes

- All stakeholders have a clear, fact-based understanding of standards and requirements of ethical recruitment and understand the conditions, risks, and opportunities that exist across relevant labour migration corridors and how to tackle them.

- Workers are empowered with the knowledge they need to migrate safely and access jobs (through both information available in their home country, pre-departure, and post-arrival training).

- Knowledge is democratized, with different mediums used to ensure all potential migrants have access to equal opportunities. Recruiters and employers supply information in different languages and through a wide range of channels.

- Governments are equipped with information and access to resources which will enable them to implement effective governance systems and mechanisms in their own countries and have a coherent approach across labour migration corridors.

- Employers and recruiters have strong knowledge of laws in origin and destination countries, decent work principles, and the business benefits of operating ethically, and implement these principles across their supply chain.

- Employers know how to recruit ethically and what agencies meet ethical standards.

- Buyers and recruiters work with other stakeholders to proactively investigate high risk areas in particular industries and countries.

Activities & Outputs

- Develop a knowledge communications strategy in collaboration with relevant stakeholders at national and international level. This strategy should begin with a gap-analysis of existing channels and identify strategic and effective channels for communications of critical information related to migration, recruitment, employment, and repatriation to key stakeholder groups. It should also identify channels for promoting ethical service providers and sensitizing migrants to ethical recruitment.

- Mapping of labour migration corridors and corresponding recruitment fees in a wider range of countries and regions.

- Research reports developed by independent institutions highlighting practices in sectors with low visibility (e.g. agriculture, palm oil, hospitality).

- Initiatives map highlighting initiatives focused on ethical recruitment along the private sector ‘journey’ – to provide clarity to buyers and employers on how they can begin to engage. The work done by Alliance 8.7 can act as the basis to clearly articulate the suite of programmes and services businesses can engage in.
- **Support employers and recruiters to disseminate accurate information** regarding jobs and recruitment processes in countries of origin.

- **Capacity building and training for all stakeholders** on labour migration issues.

- **Capacity-building for NGOs and Trade Unions** focused on training them to effectively disseminate information.

- **Mobilise and build networks** of returnee migrants.
Chapter II. Key Outcome Areas

Theory of Change to End Migrant Worker Exploitation

KnowlEDGE

Enabling factors

Activities

Outcomes

Goal

The problem

Barriers

Buyers unwilling to communicate workers' rights

Initiative mapping and documentation of business case for ethical recruitment

Gap analysis of existing channels

Develop research reports, especially highlighting practices in sectors with low visibility

Mapping of migration corridors

Build a network of migrant returnees

Communication strategy

Training programmes for all stakeholders on labour migration issues

Quality information is available for all stakeholders on standards, requirements, law, enforcement, how to recruit ethically.

Knowledge is democratized and accessible in different mediums, languages, with consistent information, and is accessible for civil society organizations to disseminate.

Knowledge empowers government to enforce and coherent approach, buyers & recruiters to complete due diligence, and workers are empowered in decision making.

Stakeholders have complete, consistent and accurate information about the recruitment process.

Technology & campaigns used to support migrant workers accessible

Language literacy for workers

Training & capacity building for NGOs

Governments, buyers and employers have imperfect knowledge of the recruitment process. Workers migrate without information & knowledge and are exploited.
Chapter II. Key Outcome Areas

Recruitment Fees

The Status Quo

Migrant workers across Asia pay high fees to get jobs, often entering into debt bondage as a result. Workers from Bangladesh have been found to pay some of the highest recruitment fees in the world, from USD 1,700 to USD 5,200. Fees charged are inflated at exorbitant rates and do not reflect the true costs of recruitment. Whereas under international standards, employers should bear the primary costs of recruitment, workers currently bear all or most of the costs.

Women are economically marginalised in many national contexts, with less financial rights than men, as a result of which the financial burden of paying recruitment fees may be higher on them.

Although a lot of work is now being conducted on ethical recruitment and the employer pays principle, there is still little transparency or documented evidence of fees paid along labour migration corridors across Asia. While large companies are beginning to commit to the employer pays principle, many governments have not yet committed to this position, and legally chargeable fees vary by country. As a result, the market is skewed towards recruitment from certain countries which allow fee charging to workers. While much attention has been given to industry leaders, it often remains unclear to many smaller, local employers how to effectively translate the employer pays principle into practice in their operations.

Origin countries also have little power in determining the costs of access to the job market, and workers are negatively affected when recruitment along certain migration corridors is halted because governments cannot agree on standardised fees and costs. Crucially, the majority of buyer and employer procurement practices continue to follow a lowest bid modality to recruitment, which means that workers are provided to employers for free, at workers’ expense.

Barriers and enablers

Employers argue that they are not able to pay all the costs of recruitment, just as recruiters argue that they are being pushed out of business by increasing demands for higher standards without any additional financial support or incentive from their customers.

This position is, in part, based on a lack of clarity of recruitment fees and related costs, as well as the inflated nature of those costs, which often include government bribes and high kick-back fees charged illegally to migrant workers. Once negotiated and agreed according to ‘real’ costs, the overall impact on employer and recruiter businesses will be lower. In most major countries of origin and destination the recruitment industry has powerful vested interests in continuing to operate in informal and sub-standard ways.

In origin countries, the recruitment industry makes financial gains through excessive fee-charging, and double-dipping; similarly, destination country actors, including recruiters and employers can...
make money by charging kick-backs to workers and through visa trading practices.

It is challenging to guarantee that even when the employer does pay, the reduction is accurately reflected in the fees and costs charged to the worker, given the incentive for recruiters and agents to continue to make additional gains by continuing to charge workers. In some cases, recruitment agencies have links with organised crime, and workers are intimidated into using exploitative recruiters even if more ethical options are available. The sheer volume of agencies creates competition at the bottom of the market, driving poor practice. There is opportunity to address this through tighter requirements for licensing as well as a race-to-the-top through a competitive ethical recruitment market place. Between origin and destination countries there is typically a lack of proper transnational regulation, and trust between intermediaries in origin and destination countries tends to be low.

Many workers, used to this status quo, are wary of providers who offer recruitment ‘free of costs’. Over time, this perception can be transformed by leveraging community networks and effective communication channels. The business case for ethical recruitment needs to be much more strongly framed and incentivised, for example through the creation and documentation of genuine market benefits for agencies that can demonstrate good practice (e.g. through IRIS certification).

This work needs to be conducted through institutions, and in collaboration with employer and recruiter associations in order to avoid a piecemeal approach. In most countries gaining buy-in from industry for the Employer Pays model will take time. During the transition, interim arrangements should be negotiated between buyers, employers and agencies to make the model more attractive. These could include offering longer term contracts and arrangements on price to employers and recruiters to incentivize better practice and encourage buy-in. There is also opportunity to promote direct recruitment as a way of reducing risk for businesses.

Governments should also seek to simplify the recruitment process, which in many countries is highly bureaucratic, with unnecessary and non-transparent costs. All governments should define exact costs for services such as passport and visa applications. This would help reduce corruption. For example, applying for a passport should be simple and cheap, and should not require involvement of intermediaries.

**Target Outcomes**

- **Governments, employers, and recruiters reach consensus** on what legal recruitment fees are to be paid by whom and these fees are documented and communicated in a transparent manner.

- **Workers do not pay illegitimate fees** in order to access the job market and receive transparent information about any costs they do have to pay.

- **Employers pay, in full, for costs of recruitment** and recruiters’ service fees.
The benefits of ethical recruitment are clear; with demonstrated positive impacts on efficiencies and cost savings.

There is industry-wide visibility of ethical actors who are taking genuine action to improve practices.

Governments criminalize illegal charging of recruitment fees, and effectively monitor and regulate the practices of recruitment agencies and associations in their country.

Governments see institutionalized ethical recruitment and decent work practices as a smart investment which makes sense politically (as this drive positive relationships with other countries) and from a business perspective (as workers who are protected and respected work more efficiently and productively thereby contributing to a boosted economy).

Business associations and recruitment associations clearly articulate the business case for ethical recruitment and adopt this as a basis for professionalizing their industries.

Buyers pay the legitimate price for sourcing ethically produced products.

Buyers and employers have clear policies, procedures and processes for reimbursement of recruitment fees in cases where it is identified that workers have paid fees.

Buyers encourage and incentivize improved practices from employers.

A shared responsibility model is used by all. The full cost of ethical recruitment should be distributed fairly among key stakeholders (not carried by employers/recruiters alone).

Activities and Outputs

Convene relevant stakeholders in discussions/negotiations to reach global consensus on:
- The definition of “ethical, fair and responsible” recruitment
- Roles, responsibilities, and accountabilities of agents, recruiters and employers
- Standardized fair costs of recruitment

Support formalization of the recruitment industry through introduction of industry standards (e.g. IRIS) certification at national and international level. Work should include:
- Training programmes for recruiter associations and their members; raising awareness of industry standards and a step-wise approach for progressing.
- Training programmes for employer associations and their members.
- Training for government labour inspectorates focused on strengthening licensing practices and requirements and identifying and prosecuting poor actors.

Signed commitments from key stakeholders committing to ethical recruitment, including the Employer Pays Principle.
- **Work with buyers to identify ways to incentivize positive supplier behaviour** e.g. through capacity building and support programs, long-term business relationships, disinvestment from supply chains demonstrating poor practices.

- **Build local employers and SME’s capacity** in carrying out human rights due diligence in recruitment and management of migrant workers, and investigating recruitment fees and related costs charged illegally to migrant workers.
Chapter II. Key Outcome Areas

Theory of Change to End Migrant Worker Exploitation

RECRUITMENT FEES

Enabling factors

THE PROBLEM

ACTIVITIES

OUTCOMES

GOAL

No understanding of 'real costs' of ethical recruitment

Workers across Asia pay high fees to get jobs often entering into debt bondage

Convene stakeholders to discuss and negotiate to reach a global consensus

Signed commitment

Formalisation of an industry standard of certification including enforcement and regulation

Training programmes for governments on enforcement and recruiter on principles & standards

Global clarity on definitions of recruitment fees

Workers are recruited through ethical recruitment channels & do not pay illegal fees, and have transparent information on any costs they do pay

Vested interests of recruitment industry

An enforcement/regulation framework that supports governments to enforce regulation, and buyers/employers carry out due diligence

Shared responsibility by all stakeholders that workers do not pay recruitment fees, and buyers/employers pay for all recruitment fees and recruiter services, & remediate where workers have paid fees

Clear business case for ethical recruitment which is articulated by business & recruitment associations, buyers can utilise to incentivise good practice and governments see as a smart investment

Vested interests of source government

Research and reporting of costs of recruitment

Buyers raise awareness with recruiters
Transparency

The Status Quo

Lack of transparency throughout the recruitment process is the status quo in many countries across Asia.

Additionally, corruption is rife in many countries. Until this is tackled across the board, there can be little meaningful progress across the other outcome areas above.

NGO and civil society actors are playing an important role in bringing abuses to light and into the media, putting pressure on businesses to respond.

Barriers and enablers

In countries with high levels of corruption, governments, recruiters and employers have vested interests and financial incentives for maintaining the status quo.

The lack of transparency benefits both government and the private sector across the board with many actors reducing costs and potentially making money throughout the recruitment process.

The lack of transparency combined with lack of knowledge around international standards is a serious barrier to progress against the TOC. There is an opportunity to push transparency for all stakeholders; where conditions are transparent, all stakeholders know how to act ethically and can conduct due diligence to ensure they are meeting global standards.

Target Outcomes

- Governments publish a transparent overview of the legal recruitment process and costs for all relevant countries.
- Buyers, employers and recruiters have full visibility of their supply chains and issues that need to be tackled.
- Corruption is eliminated from migration governance and recruitment process and all stakeholders see the benefits of operating ethically and transparently.
- Technology is leveraged to create transparency about buyer, employer and recruiter conduct, using worker voice (e.g. through agency rating websites and other platforms).

Activities & Outputs

- Engage and support governments to document and publish comprehensive information on recruitment fees and processes. This includes information on cross-jurisdictional agreements with origin and destination countries.
Advocate for governments to strengthen anti-corruption laws and implementation.

Support buyers and employers with supply chain mapping and risk assessments; in particular buyers and employers with less capacity in this area.

Engage employers in collaborative discussions designed to promote transparency (e.g. for businesses of various sizes sourcing from different suppliers).

Promote harmonization of Codes of Conduct, standards & commitments across all private sector actors.

Investment in and development of technologies that enable workers to publish employer and recruiter rating systems (such as recruitmentadvisor.org and others).

Training for government on using this data to drive improved practices and monitor employer and recruiter activity.
Chapter II. Key Outcome Areas

Theory of Change to End Migrant Worker Exploitation

**Transparency**

**Enabling Factors**

**The Problem**
- Lack of transparency throughout the recruitment process is the status quo in many countries across Asia.

**ACTIVITIES**
- Engage and support governments to document and publish comprehensive information on recruitment fees and processes.
- Investment in and development of technologies that enable workers to publish employer and recruiter rating systems.
- Harmonization of Codes of Conduct, standards & commitments across all private sector actors, facilitated by IOM/ILO.
- Support buyers and employers with supply chain mapping and risk assessments.
- Lobby government on strengthening of anti-corruption laws and implementation.
- Financial incentives for maintaining the status quo.

**Outcomes**
- Governments publish a transparent overview of the legal recruitment process and costs for all relevant countries.
- Technology is leveraged to create transparency about buyer, employer and recruiter conduct, using worker voice.
- Buyers, employers and recruiters have full visibility of their supply chains.
- Corruption is eliminated from the migration governance and recruitment process and all stakeholders see the benefits of operating ethically and transparently.

**Goal**
- Workers are recruited through transparent recruitment processes.
Chapter II. Key Outcome Areas

**Theory of Change to End Migrant Worker Exploitation**

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**Effective Remedy**

**The Status Quo**

Provision of grievance mechanisms and remedy is weak in most countries across Asia. Key stakeholders responsible for providing grievance mechanisms to workers include governments, employers, NGOs, and trade unions, but many lack knowledge, capacity and resources to implement effective mechanisms.

In certain regions, the NGO community is quite weak and trade unions where they do exist, have vested interests and frequently do not represent the interests of migrant workers in practice. For certain industries (for example domestic workers and agricultural workers working in isolated or remote locations) access to remedy is entirely lacking, or where it exists, is not implemented appropriately (e.g. women may be required to report cases of sexual harassment directly to their male employer).

Migrants are increasingly criminalized and punished with detention or deportation if they step out of line. In certain countries, workers’ legal status in the country is also tied to their employer, which makes them unwilling or afraid to report issues.

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**Barriers and enablers**

Provision of grievance mechanisms by public and private sector actors is often disconnected, meaning that workers are often not aware of the services that do exist.

There is an opportunity for intergovernmental organisations to help raise awareness of public sector services among private sector actors and vice versa. This is important to ensure effectiveness of grievance mechanisms, avoid duplication, and ensure that services do not undermine each other.

The private sector should engage with the public sector to ensure the capacity and credibility of existing mechanisms rather than operating in an isolated environment of their own. Governments should cooperate to provide transnational access to remedy, for example for returning migrants.

**Target Outcomes**

- All stakeholders understand what an effective remediation framework looks like and are implementing this at national and international level in a strategic manner.

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Chapter II. Key Outcome Areas

Theory of Change to End Migrant Worker Exploitation

- **Workers are empowered to organize, unionize and bargain collectively.**
- **Workers are informed about their rights** and have access to effective grievance mechanisms and remedy both at home and in destination countries.
- **Governments provide effective grievance and remediation mechanisms** for their citizens both at home and abroad.
- **Governments prosecute illegal activity** and provide effective redress to victims.
- **Employer and recruiter businesses abide by the law,** while providing workers with access to remedy.
- **Trade unions understand their role** and are effectively representing the rights of national and migrant workers.

**Activities & Outputs**

- **Engage all stakeholders to develop an effective remediation framework and harmonized strategy for implementation.**
- **Conduct needs assessments** to identify what grievance mechanisms exist and what capacity-building needs are.
- **Organize capacity building for governments** (in particular ministries of labour and social affairs), embassies and employers on:
  - Provide direct assistance to migrant workers in destination countries.
  - Promote migrant workers’ freedom to organize, create associations or collectively bargain in destination countries.
  - **Capacity-building and awareness-raising** on effective grievance mechanisms and remedy for civil society and Trade Unions in origin and destination countries.
  - **Leverage IOM Global Compact on Migration** to boost voices of civil society and private sector.
  - Develop model company level grievance mechanisms and remediation guidelines with involvement from key stakeholders including women.
Chapter II. Key Outcome Areas

Theory of Change to End Migrant Worker Exploitation

EFFECTIVE REMEDY

THE PROBLEM

THE PROBLEM

Enabling factors

ACTIVITIES

Barriers

OUTCOMES

GOAL

Mapping and needs assessment (information gathering)

Ineffective provision of grievance mechanisms and remedy for migrant workers across Asia

Capacity building for governments (in particular ministries of labour and social affairs), embassies and employers

Unawareness of services

All stakeholders are engaged to develop an effective remediation framework & harmonised strategy for implementation

Workers are informed about their rights and empowered to unionize and have access to remedy

Trade unions understand their role and are effectively representing the rights of national and migrant workers.

Governments provide effective grievance and prosecute illegal activity

Business abide by law and provide access to remedy

Capacity-building & awareness raising on grievance mechanisms & remedy for NGOs & Trade Unions in source & destination countries

Leverage IOM compact for NGOs and the private sector

Develop model company grievance mechanism

IOM raise awareness

All stakeholders understand what an effective grievance mechanism is & workers have access to effective remedy
Culture

The Status Quo

Entrenched negative and discriminatory attitudes towards migrants are common across the world. In particular in destination countries, dehumanizing attitudes towards migrants and other lines of discrimination against women, or ethnic, religious, and other minorities, remain a problem.

A lack of understanding of what it means for a migrant worker to leave their home country (often in precarious financial conditions, living in a country where they do not understand the local language, and potentially live in isolated areas without access to support systems) means that migrant workers are left vulnerable and treated as second class citizens.

Labour migration occurs within a context of gender inequalities, unequal power relations and patriarchal norms and practices which all collude to impact men, women and transgender people differently. Women migrants are systematically discriminated against through laws and practices which disempower them throughout the migration process and undermine their ability to control their own lives. Women migrants are rendered vulnerable because of patriarchal policies and practices that intersect with immigration and labour policies that serve to undermine their agency and autonomy, and increase risks of irregular and unsafe migration.

The labour market also operates on gender stereotypes, over representing women in industries that tend to be underpaid, while excluding them from industries involving more physical labour. Women and migrants may get paid less because of existing power inequalities and because they have little power in most societies.

Barriers and enablers

Cultural norms and discriminatory behaviour are often looked at as both unmoveable and untouchable. At the same time, unless cultural attitudes towards migrant workers, and women, are transformed, it will be extremely challenging to implement the other parts of the TOC. It takes time to shift attitudes and behaviours, but this can be achieved through sensitization campaigns and education.

Target Outcomes

- Workers of all genders, nationalities and ethnicities are treated equally and with respect at home and in the host country, both at work and outside of work.
- Employers and governments actively promote inclusion, non-discrimination and worker empowerment at the workplace.
- Governments ensure robust pre-departure and post-arrival programs are used to provide workers with information they need.
- **Origin countries engage destination countries** to ensure their citizens are legally protected and treated with respect abroad.

- **Destination countries transform inherent discriminatory attitudes** of all citizens, towards migrant workers, with a particular focus on government actors, employers, and recruiters.

- **Global business culture is transformed with all businesses** using buying practices that pay a fair price and incentivize ethical behaviour from suppliers.

### Activities and Outputs

- **Fact based research and reporting to address misconceptions** and public attitudes towards migrant workers.

- **Engagement and cooperation with national and international media** to disseminate fact-based research broadly.

- **Sensitization trainings on topics related to modern slavery** and vulnerability of migrant workers for all stakeholders, including specific vulnerabilities faced by women.

- **Engage the private sector on integrating gender sensitization** into business practices (including analysis of ratio of women to men in roles of power, stereotypes in the workplace which may limit women’s access to opportunities, etc.).
Chapter II. Key Outcome Areas

Theory of Change to End Migrant Worker Exploitation

Enabling factors

ACTIVITIES

CULTURE

THE PROBLEM

Barriers

GOAL

Government opposition/ barrier to entry

Entrenched attitudes

Engagement and cooperation with national and international media to disseminate fact-based research broadly.

Fact-based research and reporting to address misconceptions and public attitudes towards migrant workers.

Private sector training on promoting respect at the workplace.

Capacity building & resource sharing to develop effective citizen protection framework.

Government & Private sector proactively tackle discriminatory attitudes/ and behaviours.

Government & private sector have strong understanding of migrant worker vulnerabilities.

Government & private sector have robust pre-departure and post-arrival programs.

Workers are treated with respect in the home & host country both at work & outside work.

Government & Private sector are actively engaged to ensure citizens are protected abroad.

Entrenched negative & discriminatory attitudes to migrant workers leave workers vulnerable to exploitation and abuse.

NGO cooperation

Funding

Internal buy-in e.g., trustees

International organisations share / provide guidance & facilitation

Cross-border collaboration

Low resource/capacity
Governance

The Status Quo

Governments across Asia typically have weak legal frameworks or, where sound legal frameworks are in place, weak monitoring and enforcement mechanisms for governing the recruitment industry. As a result, there are major risks related to recruitment. Origin countries have little control over how their citizens are treated abroad and have insufficient powers to enforce MOUs or agreements that may be in place with destination countries.

Often laws are either weak, or where good laws exist, they are not adequately enforced. There is little punitive action taken against recruiters and employers who exploit workers, as a result of which there is little incentive for poor behaviour to stop.

National recruiter associations in some countries are a part of the problem, with a monopoly over the industry. In some countries, agencies are automatically enrolled and licensed by the national recruitment association, which means that there is no pressure for associations to compete to provide quality services to their members.

Pre-departure and post-arrival trainings, which are intended to provide migrant workers with critical information, are not effective, focusing on cultural elements rather than practical information related to the workers job, workers’ rights, or how to access assistance. The return and reintegration processes are often overlooked despite having a major impact on source countries.

Barriers and enablers

Governments are often poorly resourced and do not have capacity to strengthen frameworks, legislation, or enforcement. Government electoral cycles also hamper the ability to drive change consistently. Employer and recruiter associations at national and sectoral level can act both as barriers and enablers. Governments should ensure national associations are market driven and professionalized over time, with associations having to compete to enrol members and deliver professional standards and services to their clients.

There is an opportunity for the private sector to take a leading role in influencing and advocating for positive policy change. The private sector should use its leverage to engage in active dialogue with government, alongside civil society and other stakeholders. For example, a stronger private sector presence in inter-governmental forums (e.g. Bali Process, Colombo Process) could help governance debates, informed by private sector considerations and enable governments to create a safe operating arena for business to thrive and compete fairly within the law.

Repatriation and reintegration of migrant workers is generally overlooked. Recruiters feel that their job is done once a worker has been sent abroad and do not take responsibility for the repatriation process, while employers expect recruiters to take responsibility and cover the costs in case workers do not complete their contract or abscond. IOM and other humanitarian organizations end up responding to workers’ needs instead. Reintegration is an opportunity
to ensure workers employed abroad are acquiring skills which will be recognized and accredited in their country of origin, and an opportunity to leverage the knowledge of returning migrants to inform others interested in migrating for work.

Target Outcomes

- **Conceptual clarity on what effective migration and reintegration frameworks** look like in different national contexts
- **Governments implement effective legal frameworks & enforcement** mechanisms that provide equal rights for workers of all genders. Source and host country governments protect the human rights of migrant workers across jurisdictions by harmonizing, policing, and enforcing migration governance laws, and facilitating cross-jurisdictional access to remedy.
- **Pre-departure and post-arrival campaigns are effective** and well-coordinated and provide workers with the information they need.
- **Reintegration programmes protect and respect the rights of workers** and enable effective reintegration into the national labour market.
- **Learning is decentralized and shared at district level** (where the majority of recruitment is taking place).

Activities & Outputs

- **Establish national consultative processes for governments** in countries where these do not exist (using learnings from IOM Global Compact for Migration work conducted in other countries).
- **Bring private sector, CSO, NGO and Trade Union representatives** into regional consultative processes like the Colombo Process & Abu Dhabi Dialogue
- **Boost legitimacy of recruitment industry associations and employer associations** at national level through convening and capacity building.
- **Support the integration of IRIS and decent work standards** into government legislation.
- **Build government capacity around inspection** of recruitment agencies.
- **Pre-departure/post-arrival training improvement programmes** (engaging source and destination country governments, employers, recruiters, civil society, and international organizations).
- **Set up information sharing bank for governments** (e.g. information on regulatory frameworks, methods for enforcement).
▪ **Support governments and other stakeholders to set up data capture** systems to log statistics on migration and return.

▪ **Share labour migration corridors research with all stakeholders** (especially government).

▪ **Engage all stakeholders in advocating governments** to:
  • Develop robust and harmonized laws on migration and labour, which ensure that all citizens have equal rights.
  • Eliminate the requirement for workers’ migration status to be tied to their employer.
  • Apply pressure to other governments to ensure workers’ rights are upheld.
  • Develop an effective repatriation and re-integration framework.
Chapter II. Key Outcome Areas

GOVERNANCE

Enabling factors

THE PROBLEM

ACTIVITIES

Barriers

Outcomes

Goal

Insufficient legal frameworks both at source and destination country, ineffective pre-departure and post-arrival training, weak reintegration processes, and perverse financial incentives for buyers, recruiters, source & destination governments leaves workers vulnerable to exploitation during the migration process.

A culture of openness facilitated by IOM

Information sharing including the creation of data capturing systems and reporting by governments

Establish a national consultative process for governments where the process is currently absent

Engage all stakeholders to lobby government

IOM identify and leverage private sector support

Governments poorly resourced

Recruiters have vested interests not to enforce

Electoral cycles

NGOs, Government and Private Sector engagement

Regional consultative process that brings CSOs, Trade Unions, NGOs and Private sector together

Creation of government framework to include repatriation, reintegration & legislation (integrate IRIS)

Capacity building for governments and recruitment agencies

Pre-departure & post-arrival training programmes

Clarity for all stakeholders on the rights of workers. In addition, clarity on effective migration and reintegration, standards & requirements and the business case for buyers, employers and recruiters.

Destination and source governments create a framework that protects migrant workers through effective standards / enforcement, training and reintegration of workers, and promoting the business case

Information provision for workers before and after departure

Enforcement of regulations to protect and provide equal rights by government

Reintegration of workers into labour market
Guiding Principles

The UN “Protect, Respect and Remedy” Framework

The UN Protect, Respect and Remedy framework for Business and Human Rights underpins the TOC. The Three Pillars of this framework outline the principal responsibilities of governments and the private sector with regards to protecting the human rights of their citizens and employees including:

- **The state duty to protect** against human rights abuses by third parties, including business, through appropriate policies, regulation, and adjudication.

- **The corporate responsibility to respect** human rights; acting with due diligence to avoid infringing the rights of others, and addressing harms that do occur, and

- **Greater access by victims to effective remedy, both judicial and non-judicial.** Even where institutions operate optimally, adverse human rights impacts may still result from a company’s activities and victims must be able to seek redress. Providing effective grievance mechanisms and remedy is a shared responsibility for both government and the private sector.

Global cooperation & shared responsibility

In order to drive change effectively, all stakeholders need to be engaged in a shared responsibility approach. This approach has been advocated and enshrined in a number of fundamental international standards such as the UN Guiding Principles of Business and Human Rights (which highlights the respective responsibilities and duties of governments and businesses) and World Economic Forum’s Global Agenda Council on Human Rights amongst others.

Change cannot be achieved by any one of the key stakeholders alone and the responsibilities of each stakeholder group towards implementation of the TOC should be clear.

The UN, through the Global Compact for Migration launched in April 2017, is working towards practical implementation of a shared responsibility approach, and aims to facilitate international cooperation on facilitating safe, orderly, and regular migration. IOM and other international organizations can play a supporting role in facilitating a coordinated and strategic approach to driving change at the global level.

The approach should focus on engaging and gaining buy-in from all stakeholders to make progress against all outcome areas identified in the TOC.

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2 https://www.iom.int/global-compact-migration
Engagement of relevant stakeholders

Buy-in from the private sector, in particular the recruitment industry is critical for success. However, discussions seem to be focussed among a small number of ‘leading’ companies at the top of the chain. Local employers, recruiters and the SMEs which make up the majority of actors in the global supply chain are at present not part of the discussions on driving change. In part, this is due to the financial implications of engaging in and committing to ethical recruitment principles, which prevent lower-level suppliers and domestic market employers from engaging. In some sectors, such as plantation, brands also do not have leverage to impose change onto business partners upstream its supply chain. It is thus important to avoid a bias towards ‘champions’ and bring private sector stakeholders into the consensus raising process in a holistic manner to ensure solutions adopted are sustainable for all actors along the supply chain.

Gender and Discrimination

Gender and discrimination considerations should be integrated throughout the TOC. The global migration and recruitment context is rife with gender inequalities, with women’s access to and ability to make choices throughout the migration process restricted both by law and in practice. For example, in certain countries women’s freedom of movement is restricted (e.g. they may not be able to apply for a passport without permission from a male family member). These types of legal restrictions push women to find alternative ways to migrate and expose them to a broader range of risks. Stakeholder interviews have suggested various ways to ensure the TOC is gender-sensitive.

The TOC should apply to all migrant workers, regardless of their employment status, location, contractual arrangements or role. This is necessary to reduce risks of governments introducing schemes (as has been done in some countries) to categorise workers as apprentices, trainees, or migrant visitors, reducing these workers’ access to rights. Risks to undocumented and illegal workers must also be considered to ensure that the TOC does not encourage perverse incentives (e.g. by leading to a higher risk of deportation or prosecution.)

Regional and sectoral application

Different regions and sectors are at different stages in the journey towards understanding and implementing ethical recruitment and decent migration practices. Private sector stakeholders are actively engaged on the issue of ethical recruitment in some regions (e.g. Asia), whereas there is little visibility and awareness of issues in others (e.g. Latin America, Africa).

There are important contextual differences to consider. For example, regions like Latin America and Africa are less integrated into global supply chains as compared with Asia. They have a more limited infrastructure for formal recruitment intermediaries to facilitate international mobility. While this TOC does not provide a context analysis for specific regions or sectors, this will be important when exploring how the TOC can be applied globally.

Similarly, there is greater visibility on issues in certain sectors (e.g. electronics) as compared with others (e.g. agriculture). These differences will require stakeholder groups to develop tailored roadmaps for implementation of the TOC which consider particular national, regional, and sectoral contexts. Consultees highlighted the
need for a phased approach, using lessons learned from more active sectors to lead work into others.

**The Business Model Change**

The dominant model of recruitment and employment of migrant workers typically involves workers paying fees and bearing the cost of recruitment, recruiters operating in a non-transparent manner and employers paying less than anticipated by workers and offering poorer conditions. Whilst workers are usually charged in excess of legally permitted fee ceilings set by governments, this system represents the status quo for many and provides at least some benefits for all stakeholders, including workers, who are able to earn a higher income than they would have had access to in their home country, even if these benefits come at a high price.

In order to succeed, it is vital that the TOC identifies incentives across stakeholder groups, and ties together better regulation, consumer pressure, and other pull factors which will drive improved practices across stakeholder groups. Both carrots and sticks are necessary to move away from the status quo.

This means that there must be a business case for recruiters who operate within the law, and for receiving employers as well as other supply chain actors.
Stakeholders

Workers

Workers are at the centre of the labour migration process, in terms of benefits and harms faced. Migrant workers are particularly vulnerable as they are often migrating to countries with cultures and languages they do not know. Workers may have little knowledge of the risks they face due to a lack of transparency in the recruitment process, or may understand these risks, but be driven to take them in the absence of better opportunities.

Buyers

Global buyers and retailers and their supply chain partners (agents and intermediaries) influence the raising of standards across global supply chains through implementation of their Codes of Conduct and supplier standards. However, buying practices can result in suppliers cutting costs at the expense of workers.

Employers/Employer Associations

Employers are responsible for ensuring that their employees enjoy decent working conditions and respect for labour rights. Employers are responsible for ensuring their workers are recruited legally and responsibly. Employers can also be recruiters if they recruit directly. Employer Associations are central to driving change at scale across the private sector and driving involvement of businesses that are currently not involved.

Recruiters/Recruiter Associations

Recruiters play a role in identifying potential migrant workers and linking them with jobs overseas, managing the recruitment process. This is a legitimate and useful role; however, it provides opportunity for unscrupulous actors to deceive both workers and employers. Actors taking on recruitment functions may include manpower companies, recruitment agencies and sub-agents.

Government

Both source and host country governments have a role to play in ensuring that migrating citizens receive adequate protection from abuse from recruitment through travel, during employment and on return.

NGOs and civil society

Global buyers and retailers and their supply chain partners (agents and intermediaries) influence the raising of standards across global supply chains through implementation of their Codes of Conduct and supplier standards. However, buying practices can result in suppliers cutting costs at the expense of workers.

International organizations

Play an important role in coordinating efforts at global, regional and national levels and engaging stakeholders across sectors and industries.
KEY OUTCOMES AREAS FOR PRIVATE SECTOR ACTION

**Activities**
- Document business case for ethical recruitment and decent work
- Support buyers and employers to:
  - Investigate and map supply chains
  - Disseminate accurate information regarding jobs and recruitment processes in countries of origin
- Mapping of initiatives focused on ethical recruitment along the private sector journey
- Develop model pre-departure and post-arrival trainings with businesses

**Knowledge**
- Clarity on global standards on ethical recruitment & fees
- Strong knowledge and implementation of laws & decent work principles
- Proactively investigate high risk areas within supply chain

**Activities**
- Convene relevant stakeholders in discussions/negotiations to reach consensus on:
  - The definition of "ethical/responsible" recruitment
  - Roles, responsibilities, and accountabilities of agents, recruiters, employers and buyers
  - Standardised fair costs of recruitment
- Formalise recruitment industry through:
  - Training programmes for recruiter associations and their members; raising awareness of industry standards and a step-wise approach for progressing
  - Training programmes for employer associations and their members

**Transparency**
- Clear written commitment to Employer Pays policy
- Supply chain transparency
- Harmonised standards across private sector

**Activities**
- Support buyers and employers with supply chain mapping and risk assessments, particular focus on SMEs
- Facilitate harmonisation of Codes of Conduct standards & commitments across all private sector actors

**Recruitment fees**
- Employers pay legitimate full costs of recruitment
- Costs of all recruitment services are clearly defined
- Business case for ethical recruitment is clear
- Consensus on definition of recruitment fees & who pays

**Effective remedy**
- Collective remediation framework designed & implemented globally
- Provide effective grievance mechanisms & remedy for all workers
- All companies implement a policy for recruitment fee remediation

**Activities**
- Develop a collective remediation framework defining what is effective including public and private sector actors
- Design model company level grievance mechanisms with involvement from key stakeholders including women

**Governance**
- Good supplier behaviour incentivized through buying practices
- Businesses are represented in policy debates
- Effective pre-departure and post-arrival training developed with government

**Activities**
- Develop pre-departure/post-arrival training in collaboration with governments
- Engage employers/employer associations on lobbying governments more proactively to:
  - Develop robust and harmonised laws on migration and labour, which ensure that all citizens have equal rights.
  - Eliminate the requirement for workers’ migration status to be tied to their employer.
  - Apply pressure to other governments

**Culture**
- Promote inclusion, tolerance & openness in the workplace
- Buy-in from company leadership
- Global business culture transformed with fair buying practices

**Activities**
- Sensitization trainings on topics related to modern slavery & vulnerability of migrant workers at buyer, supplier and recruiter level
- Private sector engagement on gender sensitization

Migrant workers of all genders have **access to** and can enjoy decent work through **ethical recruitment channels**
Chapter IV. Stakeholders

Theory of Change to End Migrant Worker Exploitation

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