



## FAIR EMPLOYMENT FOUNDATION 5 YEARS IN REVIEW

### We Are Winning! Because Migrants Are Winning.

Letter from the CEO and Co-Founder, Scott Stiles

It's hard to express my pride in the progress Fair has seen over the last five years. When we started, we claimed to be setting the new standard which the migrant recruitment industry would follow. I am happy to report that this it's happening! We've seen industry-wide changes, as employers pay more of the recruitment costs while workers pay significantly less<sup>1</sup>. We've seen decreased churn and more stability for workers and employers. We have seen governments change laws to protect workers and address the root causes of exploitative recruitment. We are proving the importance of training, focused on preparing workers for life abroad. New agencies, inspired by Fair's progress, have also started popping up across Asia. The pace of progress is encouraging, but there is still much work to be done!

We believe, now more than ever, that this is a solvable world problem. There will be a lot of challenges along the way. But, these challenges are exactly why we are here. We take pride in doing the things that need to get done, even when they are hard. The Team's success over the last five years has created real change in the lives of thousands of migrant workers. We believe that the next 5 years Fair will catalyse more progress with even greater impact. We'll do this by continuing to push for progress with our current initiatives, while looking outwards to create similar results, in other countries and industries. We believe that Fair has the opportunity to help improve the lives of millions of migrant workers.

In closing, I need to express my overwhelming gratitude for the Team that Fair has built. Our "Team" includes employees, board members, funders, partners, companies, volunteers and mentors who lift and direct our work. So many incredible people have been part of this Team. Together, they've gotten us where we are today. Thank you for being part of this team (because if you are reading this, you probably are on it!)

Thanks,  
Scott

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<sup>1</sup> In 2015, Filipina domestic workers were paying an average of **US\$2,148** in total recruitment debt. *Coming Clean*, [Justice Centre](#) (2016); and in 2019, current and returned Filipina respondents paid recruitment agencies USD 700 on average." [Making Migration Work](#), Seefar

# The Fair Model

## Migration Journeys

Letter from Jennifer Meehan, Co-Founder And Co-Chair

The doorbell rang. It was Jenny, the domestic worker who worked next door. She was weeping and pleading for money – and not an inconsequential amount. Her situation was one that too many migrant domestic workers find themselves in.

I myself have employed domestic workers and served on the Board of an NGO servicing domestic workers. But over and over again, I was left feeling that we weren't addressing the source of the problems.

Then, I learned about the trio working on an ethical recruitment agency that would beat out bad actors. It was different. They saw an opportunity to solve the root problems in migration. I wanted in.

Migrant recruitment has the potential to lift millions globally out of poverty. It can help employers find reliable access to the talent and labour they need. But the migration journey needs

transparency and accountability before we can achieve this. It requires removing fees to workers and realigning market incentives with the interests of workers and employers. We outline how this would work and how current barriers in the market can be addressed, with the Fair Model for migrant recruitment.

We have done a lot of work at Fair over the last five years. We have set standards for the industry to follow and seen the market in Hong Kong change in the right directions.

Thank you for supporting us to get us where we are today. We are excited to share with you the growth and progress we have ahead.

- Jennifer

# Recruitment

## Driving down fees-to-workers

### The Problem

Debt Bondage to recruitment agencies is a primary cause of forced labour across Asia.

Desperate workers take out extortionate loans to pay employment agencies huge fees for the chance to work abroad.

These fees create debt bondage situations, prevent workers from being able to report abuses and unsafe workplace conditions.

- Debt bondage affects half of the estimated 16 million victims of forced labour in the private economy ('Global Estimates on Modern Slavery' 2017, ILO).
- Domestic workers make up the largest share (24%) of those in forced labour. ('Global Estimates on Modern Slavery', 2017, ILO, (p.32)).
- 31% of domestic workers reported no choice but to stay with the same employer because of money paid for their job even if there was abuse ('Modern Slavery in East Asia,' 2016, Farsight (p.28)).

### The Opportunity

We saw a broken system and knew we could do better.

Fair Employment Agency opened its doors at the end of 2014, offering a new and ethical option for migrant domestic workers and employers in Hong Kong.

Workers are never charged for their recruitment at Fair Agency and employers are provided clarity on the pricing and process upfront. When workers don't pay recruitment fees, they are able to leave unsuitable job situations without fear or financial repercussions.

Setting a new ethical standard means setting a new service standard too. Our consistently high-quality service and transparency have strengthened our reputation and brand over these five years:

- Applicants and potential jobs are vetted and matched to create successful and lasting employment situations
- Timely updates are provided throughout the processing period
- The agency follows up with both workers and employers and fulfils responsibilities as the agency.

Fair Employment Agency is now one of the biggest Filipino domestic worker agencies in Hong Kong. Operating out of one office on Hong Kong Island since the beginning, Fair Agency opened a second branch in Tsuen Wan to service the New Territories and Kowloon areas more effectively.

- 4000+ workers placed into jobs fairly.
- 90% of Employers would recommend Fair Agency to a friend
- 95% of Workers report job-satisfaction

## **Driving down fees-to-workers**

In 2013, employers were only paying US\$500 to hire a migrant domestic worker. Instead, workers were being charged by agencies to cover the direct expenses of recruitment. Filipino domestic workers were paying US\$1900 to agencies ('License to Exploit,' 2013, Alliance of Progressive Labor (p.25)).

Fair Agency opened at the end of 2014, and charged employers US\$1,000 and workers paid nothing for their recruitment.

Competitors had been anxious about Fair Agency's entrance to the market, especially as a non-profit agency. They were surprised by our fees-to-employers and took the opportunity to raise their prices too.

Not only did Fair Agency's competitors follow their pricing, but they also copied some of the ways Fair Agency was recruiting workers.

Many agencies still provide employers with "biodata" of candidates - worker's height, weight, marital status but not enough employment-related information. This is an outdated and unreliable way to vet and hire candidates and a service that is increasingly unacceptable to employers.

We found that some agencies had copied Fair Agency's application form for workers. Which focuses on the candidate's experience, skills, and job preferences.

These are the changes the market needs, and we've seen the positive impacts already within the past five years:

## **Workers Pay Less**

Fees to workers decreased from US\$1500 to US\$700. Assuming 30,000 Filipino workers went through agencies in 2019, this means workers kept US\$39,000,000 instead of exploitative agents.

- Making Migration Work, 2019, Seefar (p.34)

## **Retention Rates Increased**

With employers paying more to hire and being provided with more professional recruitment services, retention rates increased.

In 2016, Hong Kong Immigration saw a significant 21% increase in contract renewals. This was a huge change for a number that had never seen dramatic year-to-year changes. There was also a decrease in new worker visas. This means that people are finding steady jobs, and employers are valuing the people that work for them.

## **Change is happening**

Hong Kong has made significant legislative changes in the last few years to protect workers and their employers.

January 2017

The Hong Kong Immigration Department, at the urging of the Philippines Overseas Labour Office, made changes to the labour contracts for migrant domestic workers to ban dangerous window-washing of high-rise homes after several deaths of workers.

July 2017

The Hong Kong Immigration Department changes their walk-in appointment policy, avoiding dozens of workers sleeping outside Immigration every day [info.gov.hk](http://info.gov.hk)

February 2018

The Hong Kong government launched the Code of Practice for Employment Agencies and maximum prosecution of illegal recruiters increased from a fine of US\$6,400 (HK\$50,000) to a fine of US\$45,000 (HK\$350,000) and three years imprisonment. [info.gov.hk](http://info.gov.hk)

The new Employment Agencies Portal by the Labour Department publishes information about agencies warned or convicted of violations. These are steps towards real deterrents to employment agencies acting unlawfully.

## Training

### Demonstrating the value of training

#### The Problem

Our early years building up Fair Employment Agency taught us so much. We met hundreds, thousands of workers to understand their migration journeys better. Soon, further questions about the devastating vulnerabilities faced by worker arose.

Migration is a big step for workers, and they need to be prepared with the skills and tools to help them be successful while working abroad. However, in reality, workers are huge sums of money (ranging from HK\$1,200 – 15,000) for very poor quality of training that does not prepare them as professional workers.

- 30-40% of first-time domestic workers terminate their contracts within the first three months of employment in Hong Kong
- Only 6% of domestic workers were returning home feeling that they had enough saved. ('Modern Slavery in East Asia,' 2016, Farsight (p.42))
- 77% of domestic worker returnees re-migrate for work. ('Modern Slavery in East Asia,' 2016, Farsight (p.52))

#### The Opportunity

We saw an opportunity to reinvent the training that domestic workers were receiving before they left the Philippines. Fair Training Center was accredited and opened in late 2016.

A key focus at Fair Training Center is professionalizing "low-skilled" migrant work. Both employers and workers need to approach domestic work as professional work in order to create success.

By focusing on key elements of successful migration, our training improves the results of migration and reduces turnover rates.

Pillars of Fair Training Center's curriculum:

- Financial management: saving and planning
- Managing difficult situations, problem-solving and professional communication skills
- Rights education and where to find support

- Dealing with homesickness, and managing family relationships
- Adjusting abroad: culture, transport, lifestyle, etc.
- Hard skills: cleaning, cooking, laundry, using appliances, etc

The motto at Fair Training Center is: “It’s not just your job, it’s your life!” Trainees at Fair Training Center are prepared for the (hard) reality of life as a domestic worker and the change migration will bring to their lives and to the lives of their families. When they arrive at their destination country, they remain connected to the Fair Training Center community online where they have access to expertise and encouragement.

Training currently offered include:

- Domestic Work
- Soft Skills Training for Overseas Filipino Workers
- Safe Migration Orientation

FAIR App: Trainees are equipped with resources and information on their rights and entitlements on our mobile app: FAIR Hong Kong available on iTunes, and Google Play

Fair Training Center Facebook Community: Trainees stay connected to batchmates, and alumni on Facebooks moderated by Fair Training Center trainers. Article sharing, video chats and messages keep the community updated and informed

Fair Training Center Info Hub: Fair Training Center keeps a section on their website, the Info Hub, updated with informative articles for overseas workers.

- Worker turn-over rates reduced by 50%
- 84% of Trainees are saving while abroad
- Described as the gold standard for pre-migration training by International Labour Organisation Philippines

### **Demonstrating the Value of Training**

The early results of Fair Training Center's approach tell us such training is transformational. Termination rates are below our target of 15% in the first three months of a contract. Workers are having financial conversations with family members and following budgets. While savings are not as high as trainees planned at the Center, workers ARE saving. 84% of trainees report they are saving towards their goals while working abroad.

Most apparent is the personal transformation workers go through at Fair Training Center. They leave seeing themselves as professionals. Helping workers professionalize their approach to migration is key to helping them succeed abroad. Current industry practices have devalued training but with small changes upfront, we can change workers' whole migration experience.

Fair Training Center now delivers pre-migration trainings for domestic workers deploying to multiple destinations, primarily to Hong Kong, Malaysia. Curriculums to prepare workers in other migrant work industries for successful migration have been developed.

Fair Training Center has partnered with Voice of the Free, a Philippine NGO, on a Training of Trainers programme on Safe Migration with the aim to reach 15,000 beneficiaries. Fair Training Center was also invited by the International Labour Organisation to be part of the Integrated Programme on Fair Recruitment (FAIR) – Phase II.

# Employer education

## Making employers part of the solution

### The Problem

Managing a worker does not come easily to most people, managing a migrant domestic worker who lives in your own home is another situation altogether with unique management challenges.

On top of this, a broken recruitment system means creating failure brings profit to unscrupulous agencies. 57% of employers we surveyed were not aware of the charging of illegal recruitment fees to migrant domestic workers.

Unfortunately, there is very little guidance on how to navigate this migrant worker hiring and managing. Information provided often involves confusing jargon or are based on misinformation or myths.

- 21 Companies are signatories of the Fair Hiring Pledge
- 2,200 people educated at Fair Hiring Pledge events
- 75% found the session added considerable new information on hiring fairly
- 20,000+ monthly unique views online

### The Opportunity

One of the things we have believed from the beginning, is that most employers want to do the right thing. But hiring and managing someone is hard, (cultural, professional gaps).

When people are aware, they set better expectations and create successful employment situations. When employers are aware of how to hire fairly, they will drive the market demand for ethical options.

We launched the Fair Hiring Pledge, in 2016, as a way to engage corporates and their staff. Companies are increasingly using their position of influence to make the world a better place.

### Making Employers Part of the Solution

Since the launch, 21 companies have signed the Pledge. Their public statement of supporting ethical recruitment is a clear message to the community and their own staff.

The Pledge is a valuable way to support staff on healthy home-lives. As part of their commitment, companies host our Lunch & Learn sessions on domestic worker hiring and management. These friendly hour-long sessions make it easy for people to get practical guidance and ask personal questions to our experts.

To follow on from these sessions, is an online resource for employers of migrant domestic workers in Hong Kong, Get Answers ([www.fairagency.org/answers](http://www.fairagency.org/answers)). The online portal reaches around 20,000 pageviews per month. A wide range of hiring and managing topics are covered here, including time-sensitive content that may affect workers and employers.

# Expanding the Fair Model

## Nurturing ethical recruitment across Asia

### The Problem

Often employers are uninformed about exploitative recruitment. Even when employers are concerned about forced labour, they face limited or no options to avoid worker placement fees.

As one large hospitality group in the Middle East told us: “We are very cautious when hiring out of certain markets and try to ensure that there is “no fee” to the associate recruitment process and ensure that any adverts placed by agencies clearly state free recruitment. Unfortunately, we still find that some agencies force payments out of applicants without our knowledge and they have to pay back several months of salary to recruitment agencies.”

### The Opportunity

The next stage for us is to expand the Fair Model to more countries and industries. We are in the process of approaching this next strategy in a few different ways.

In 2019, we began building out a plan to control an exporting agency in the Philippines. As one of the largest exporters of migrant workers, the Philippines has the potential to set the standard for ethical migration. We’ve been fortunate to find individuals, each with a strong track record of creating better futures for Filipinos, to join our Honest Jobs team.

There is much to work through, but it will be a feat that will affect many receiving-side markets and impact many more migrant workers.

### Nurturing ethical recruitment across Asia

We have always tended towards being more open with our direct competitors. This is because our mission is to influence broader market change. The market needs more ethical players, and we want to help those who are willing to do good.

An example we’re most proud of is Pinkcollar Employment Agency, Malaysia's first ethical domestic worker agency. One of the co-founders of Pinkcollar, Elaine Sim, interned at Fair Employment Agency (FEA) when she first was exploring issues in migrant recruitment. We connected her with her now co-founder, Zenna Law, who reached out to Fair separately. Knowing the thoughtfulness the two of them have towards these issues, we were excited to provide mentorship and guidance on setting up Pinkcollar, and replicating the elements that make FEA successful.

“Pinkcollar launched its services with a tried-and-tested recruitment strategy that we felt confident with, thanks to our mentor, Scott Stiles’ guidance. FEF has helped us set up a strong end-to-end recruitment pipeline that is ethical and responsible.,” Zenna Law.



# Our Supporters

## Five years in review

Our donors and supporters are among the leaders in the fight against modern slavery. They are individuals and organisations who approach this global problem in innovative and pioneering ways. Their commitments in 2019 allow us to do our work and strive towards our vision of the future.

We would not be where we are today without them.

A huge thank you to our key donors in 2019:

- Global Fund to End Modern Slavery
- Humanity United
- Macquarie Group Foundation
- Manan Trust
- Peery Foundation

Our supporters in 2019 who lent us their expertise, time, and key resources:

- Gibson and Dunn, Oliver Welch.
- Hogan Lovells, Eugene Low, Catharine Lau, Ruth Barnes
- PJS Law, Rachele Lim-Magtanggol
- Hands-On Hong Kong, Bixian Lin
- Liberty Shared, Archana Kotecha
- Andrew Tan-Delli Cicchi, Hart Fellow
- Interns: Davea Hui, Vritti Vaswani, Morgan Young, Soha Kabbaj

## Our Financials

	2019	2018	2017
<b>DONATIONS</b>			
	\$739,129.62	\$546,277.61	\$400,463.44
<b>EXPENSES</b>			
	<b>2019</b>	<b>2018</b>	<b>2017</b>
Fair Employment Agency	13%	38%	7%
Honest Jobs	28%		
Fair Training Center	24%	28%	37%
Fair Hiring Pledge (Employer Education)	4%	9%	14%
Fundraising	3%	9%	14%
Research & Development	12%		
Organisation Development	12%	6%	15%
Administration/ Overhead (FEF)	5%	9%	13%
<b>Total Expenses</b>	<b>733,977.40</b>	<b>\$446,552.26</b>	<b>\$304,889.59</b>

# A solvable world problem

Letter from Tammy Baltz, Co-Founder And Co-Chair

When I started working with domestic workers in the early 2000s, unethical agency fees were the most notable challenge facing workers who were in Hong Kong providing for their families back home. From these fees stemmed a host of other abuses and problems that served only to profit exploitative recruiters.

The options we can provide workers with Fair today are options that workers like Erwiana Sulistyaningsih did not have. She was indebted to her agency and endured months of abuse by her employer. We can fix this broken system to work for the millions of migrant workers across Asia and their employers.

We have the opportunity to change the trajectory for millions of workers and their employers. We have already started to see the impact of the Fair Model in Hong Kong, and it will be exciting to see where the next five years will take us.

There is a lot to be done ahead of us and I am so grateful to be working on this project with such an amazing team, and with the backing of our supporters and donors. Thank you for your dedication and commitment to build solutions with us.

- Tammy

## Our Team

### OUR TEAM

Scott Stiles, CEO and Co-Founder

Lidia Garcia, General Manager of Fair Employment Agency

Aimee Gloria, Executive Director of Fair Training Center

Carmel Laurino, General Manager of Honest Jobs

Zofia Niesterowicz-Lawrence, Senior Partnerships Manager

Victoria Ahn, Senior Communications Manager

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