

FAIR EMPLOYMENT FOUNDATION

2020-21 In Review

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Our Mission

Our mission is to build market solutions to end the forced labour of migrant workers across Asia.

Summary

Tough Years Globally, We find hope in Adaptation.

The world has been through a lot since we did our last report. The global pandemic has taken millions of lives. Tens of millions of families lost their livelihoods, experiencing economic insecurity that hadn't been experienced in generations¹. Immeasurable psychological despair was felt by billions of people globally².

Though Covid-19 affected all of us, it's important to acknowledge the disproportionate suffering that it has caused to those in and from the developing world. Many who read this may never fully understand the pain which the virus inflicted. This is especially true for migrant workers who found themselves living and working in close proximity for weeks on end.

It's been particularly tough for domestic workers. Many workers who we spoke with have not been able to work and provide for their families, pushing them into financial hardship and unemployment. Workers desperate to

¹ <https://www.theguardian.com/society/2022/jan/17/covid-variants-leading-to-worse-global-unemployment-says-ilo>

²

<https://www.oecd.org/coronavirus/policy-responses/tackling-the-mental-health-impact-of-the-covid-19-crisis-an-integrated-whole-of-society-response-0cca0b/>

seek work are at the hands of bad actors in the market trying to exploit them by imposing extra fees and charges in order to meet the additional regulations. While for workers in Hong Kong, restrictions on travel and tighter immigration policies have posed concerns for workers who fear the consequences of leaving unsuitable job situations.

It's safe to say that the last two years have been tough for the migrant domestic worker industry. As the global economy slowed down, migration corridors have closed up almost entirely. Our agency and training center have felt significant pressure. Months of travel ban meant that we could not deploy workers. Training too has been stalled for months without any clear sight of things going back to normal.

With so many livelihoods lost, the bravery and determination of the millions of migrant workers globally is what motivates us to keep moving forward. One key thing that these past two years have taught us is, Adaptation. With all the challenges we have faced, it's pushed us to adapt the way we work and operate our businesses in a way we're not used to. It pushed us to challenge ourselves, to innovate and to think and work in ways we've never done before. Actually, it has made our team stronger and more resilient.

Through it all, we are even more clear that forced labour is a solvable problem. Though at times there seemed to be no hope, the team always persevered and worked tirelessly to the ever-changing situation. We couldn't be more proud of how our team has responded. We're now much more prepared for sudden changes, and we've learned to be more innovative and determined than ever before.

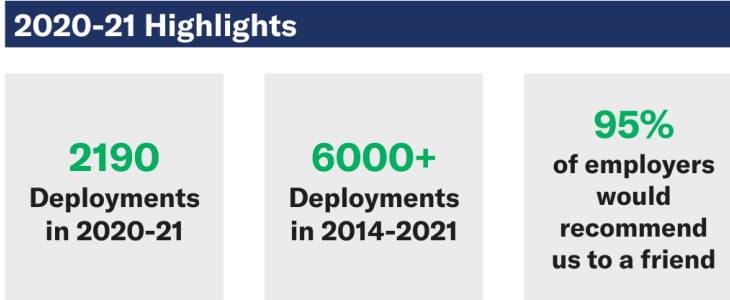
We are still uncertain what a post-pandemic world will look like, but with the support of our team, including our staff, board members, funders, partners, companies, supporters, community members and volunteers, we believe we will get through it together, stronger.

Fair Employment Agency

What We Do:

Fair Employment Agency is a non-profit employment agency that is driving industry standards for hiring migrant domestic workers. Established August 2014, we reinvent domestic worker hiring and place migrant domestic workers with Hong Kong employers, without worker placement **fee and matching employers and workers**.

Highlights



Market Wide Shifts:

In spite of all the challenges these past two years presented, new research shows we are still seeing improved market conditions for workers as it relates to agency fees. In 2013, around 90% of Filipino domestic workers were charged illegal agency fees³. In 2021, the percentage reported to be 16%⁴. There's still a long way to go to end the exploitation of migrant workers but this type of progress gives us more confidence that the debt bondage and forced labour related abuses are indeed solvable problems.

% of Filipino workers charged illegal agency fees



³ Alliance of Progressive Labor, *License to Exploit: A Report on the Recruitment Practices and Problems Experienced by Filipino Domestic Workers in Hong Kong*, 2013
https://idwfed.org/en/resources/license-to-exploit-a-report-on-recruitment-practices-and-problems-experienced-by-filipino-migrant-domestic-workers-in-hong-kong/@@display-file/attachment_1

⁴ Rights Exposure, *Fit for Purpose? Assessing compliance with the Code of Practice*, 2022
<https://view.publitas.com/rights-exposure/fit-for-purpose-assessing-compliance-with-the-code-of-practice/page/1>

New Challenges

Covid created unprecedented challenges for the migrant domestic worker industry. It goes without saying that Covid had a huge impact on businesses, social or otherwise, across the globe. But where some of our other businesses were able to adapt and grow impact during Covid, our agency really took the brunt of the pain. It challenged the agency in a way we have never experienced and we could not operate the way that we were used to.

Shortage of domestic workers

From January 2020 to the end of 2021, the city's number of domestic workers dropped from 400,000 to roughly 340,000⁵. Many workers were renewing their contract with their current employers while many others returned home. Meanwhile, **workers were not able to come to Hong Kong due to travel restrictions and government mandated lockdowns.**

Restrictions on movement

Flight bans, quarantine hotel shortages, additional medical requirements and essentially closed borders resulted in unprecedented levels of uncertainty and complexity. The many changes in policies and increased rules and regulations for travel have also complicated the migration process. This gives bad actors in the market the opportunity to exploit desperate workers by imposing extra fees and charges in order to comply with additional regulations.

Tighter labour market made hiring staff difficult

Hiring and retaining internal staff has been tough especially in a difficult industry like ours. Faced with staff shortages and increased pressure to meet the demands of the market, we knew we had to act and think differently to attract talent.

How We Adapted

Expanding Our Reach

Before the pandemic, workers were generally interviewed in-person. As COVID-19 hit and social distancing measures came into place, walk-in appointments were no longer possible. We adapted quickly and moved most of our services online. We made a huge shift to conduct interviews with workers via video call. This opened up opportunities to expand our reach to more workers in Hong Kong and overseas.

Improving Internal Processes

We've always known the key to our success was good communication. The constant changes in policies can be unnerving for employers and workers. We saw an opportunity to tighten our internal processes so we can get information communicated quickly and thoroughly to our clients. Through training and internal improvements of our team, many of our workers and employers have expressed their satisfaction with our services, with 95% employers who would recommend us to their friends.

⁵ Statistics on the number of foreign domestic helpers in Hong Kong provides figures concerning the number of foreign domestic helpers in Hong Kong, 2022 <https://data.gov.hk/en-data/dataset/hk-imm-d-set4-statistics-fdh/resource/b983aa1d-2617-4051-9ec1-dc5ca281b117>

Improving Workplace Satisfaction

We knew that we had to innovate the workplace to attract and retain talent to help advance our mission. So in 2021, we positioned ourselves to launch the 4-day work week arrangement in 2022. We're already seeing a promising impact on attracting talent and seeing higher levels of satisfaction and productivity among our team.

Looking Forward:

Expansion into Indonesia Market

In Hong Kong, Indonesian workers represent almost half of the migrant domestic workers. They've been subject to the most prevalent forced labour conditions for years. Indonesians were more likely than Filipino respondents to have paid illegal and/or excessive fees, with 91% of Indonesians and 16% of Filipinos stating that the employment agency collected fees.⁶ Employers of Indonesian workers have few ethical recruitment options and support. Since we started Fair Agency, we've wanted to impact the Indonesian market. However, Indonesia's exorbitant placement fees and complicated processes have made it challenging for us to follow Indonesian regulations and uphold our ethical standards. But we continued our expansion plans and adapted to government changes.

In February 2020, we began expansion plans and opened a branch office in Tsuen Wan, a strategic location for Indonesian workers and local Hong Kong employers. We've seen healthy growth in increasing Fair Agency's presence among local employers and workers in the New Territories area.

When flight bans were imposed on the Philippines and the government mandated a lockdown, we looked to the Indonesian market where borders were still open. We started looking for an ethical agency in Indonesia that we felt confident in partnering with. In 2021, we were proud to secure an Indonesian partner agency and began our expansion into Indonesia worker placement. In the same year, we began processing our first overseas Indonesian workers as well as contracts for Indonesian workers already in Hong Kong. Soon after, the Indonesian government banned pre-departure placement fees to workers, making it easier for Fair Agency to work with this market. It's an encouraging step forward for our efforts to grow and impact the Indonesian market.

Towards Elderly Care Employer Education

As Hong Kong's population ages, the work of domestic workers will become increasingly essential to Hong Kong families. Elderly care is demanding work and, without clear management and support, workers are prone to caregiving burden and burnout. Management of eldercare situations can be very complicated and challenging. Employers need to be equipped with the right management skills to navigate these difficult situations.

With the growing eldercare needs in the future, the need for employer education is more apparent than ever. Our goal is to provide training for frameworks that lead to successful employer-employee relationships. When employers have the skills to manage eldercare workers effectively, they will increase retention rates, bolster quality of care and create an age-friendly city. We will continue to engage cross-sector stakeholders to influence plans for elderly care in Hong Kong and push for broader employer education.

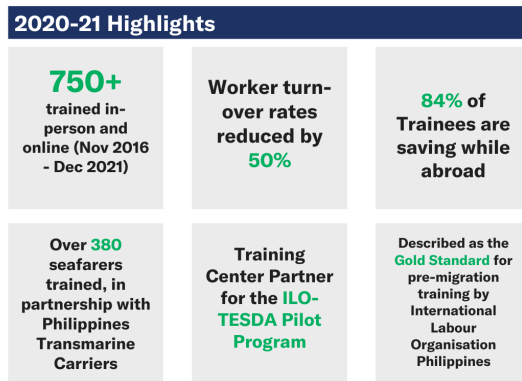
⁶ Rights Exposure, *Fit for Purpose? Assessing compliance with the Code of Practice*, 2022
<https://view.publitas.com/rights-exposure/fit-for-purpose-assessing-compliance-with-the-code-of-practice/page/1>

Fair Training Center

Fair Training Center

Fair Training Center is a nonprofit training center based in the Philippines with a mission to end the forced labour of migrant workers by reinventing domestic worker training to reduce termination rates. Established in November 2016, our training prepares migrant workers as professionals and successful migrants.

Highlights:



New Challenges:

When Covid hit, our Manila-based team experienced a material upheaval in their operations with the suspension of in person training and lockdowns lasting 11 weeks across Manila. Ironically, these realities allowed for openness to innovation in training methods that would never have been possible without an event like Covid.

Training suspended

Covid brought the whole industry to a halt. Training, assessment and deployment was suspended in March 2020 with no clear end of Covid in sight. Tens of thousands of workers were waiting to be deployed and unable to leave to work abroad. It became difficult to do what we set out to do and train workers waiting to make the leap of migration.

Covid Restrictions and Backlog of migrants

Multiple lockdowns, community quarantine mandates and travel restrictions in the Philippines made it impossible for workers to leave their homes to attend training. However, completing a National Certificate II (NCII) in domestic work is a national requirement for training centers. Many prospective workers weren't able to complete deployment requirements. As a result, there was a backlog of workers waiting to be deployed overseas.

Covid slowing down migration industry

As business slowed down for some agencies and groups due to the pandemic, they were able to take a deeper look into the work they were doing and rethink training. Many workers had few options for high quality training

that truly prepared them for migration. Agencies saw how workers could benefit from better pre-migration preparation. Especially in times of uncertainty, training was important to prepare workers not only for work abroad, but for their life and future.

How We Adapted:

Time to Innovate Training

From the beginning, we have been finding ways to innovate training. Because of our years of gathering data, our solid research and development and the onset of Covid, we were able to test blended learning methods that combine online learning and in-person training. We were confident that in the long run, online training could be scaled, delivered at low-cost, and controlled for quality. We knew that online training worked and was the way of the future. 100% of our pilot program trainees passed the government assessment. With government-mandated lockdowns, the necessity to maintain physical distancing and the backlog of workers, now was the time to push the blended learning model forward. The blended training would reduce the 28-day live-in training, which was previously the standard to 18 days, and help workers save time and money from unnecessary travel and lodging for training.

Partner with Stakeholders

We knew we couldn't do it alone. We worked closely with the International Labour Organisation and TESDA, the Philippines training governing body in the past two years to launch the hybrid model. Thanks to the guidelines and expertise from TESDA and ILO, we were able to develop a blended training program that could fulfill the government's deployment requirements, combining both online and in-person training. The ILO-TESDA pilot training program was officially launched in May 2021 and then became a successful pilot program with the Philippine government. We were the first training service provider to partner with TESDA and ILO to launch a hybrid training program. This was a breakthrough result for both the Fair Training Centre and the training industry as this was the first time that online training components were introduced to domestic worker training. Because the pilot was such a success, the government has asked us to develop life skills modules to be included in the 18 day training, which they plan to make the new national standard.

Offering Non-Government Required Trainings

Following the success of our pilot program, our life skills module started to gain traction. More industry players started to recognise that life skills training is just as important as technical skills training to truly prepare workers for life abroad. As more agencies and groups started to approach us for life skills training, we collaborated and designed the Life Skills Workshop, a pre-departure preparation workshop, empowering workers to become successful in their work and life abroad. In this 4 day online workshop, workers learn important skills like financial management, migration adaptation, handling homesickness and parenting from abroad. We also saw an exciting opportunity to extend the workshop's reach beyond domestic workers to migrant workers in different industries, allowing more migrant workers to have safe and sustainable training.

Looking Forward:

Beyond Domestic Worker Training

In 2021, Fair Training Centre partnered with Philippines Transmarine Carriers to expand its pre-migration training to include seafarers. Our training prepares them for successful migration and planning for their future.

In-person training restrictions nudged our training for seafarers to be conducted online. This allows prospective seafarers who live in different provinces in the Philippines to participate. So far, over 380 seafarers have attended the life skills workshop and the feedback has been positive.

Other training centres, agencies and organizations in the Philippines and abroad are showing interest in our training approach. We see great room for expansion. This allows us to think beyond domestic work and expand our reach across different industries such as manufacturing, medical and hospitality. The team is excited to keep innovating and to create workshops that are tailored to the needs of each industry.

Make Curriculum the National Standard

After the success of the ILO-TESDA pilot program, we hope that TESDA will make our blended curriculum the new national standard. We will continue to work closely with TESDA to develop relevant curriculums and training regulations for other workers.

We expect to continue our engagement with the government to align assessment standards with the blended learning curriculums and assessments. We will continue to work on influencing other stakeholders in the field and influence training in various sending-side countries such as Indonesia, Thailand and Bangladesh.

With the positive results of the blended-training model, we will continue innovating and optimizing our online training. In particular, looking at how training can be delivered with shortened durations and the effectiveness of online materials to teach essential job and destination-specific skills for workers. Looking forward, we will work with a broad range of stakeholders to better train migrant workers as they prepare for life abroad.

Honest Jobs Holdings

Honest Jobs Holdings

Honest Jobs Holdings Limited is our impact investment holding company that provides flexible investment funding to local entrepreneurs, to enable other ethical agency players across the region to drive progress in their own local markets.

Highlights:

2020-21 Highlights

First
Investment
into **Pinkcollar
Recruitment
Agency**

\$500K
investment
from the
**Working
Capital Fund**

New Challenges:

Challenges in establishing sending-side agency

Following the progress Fair Employment Agency made in Hong Kong, we felt it was time to set up a fully ethical migration chain from sending country to receiving country. It made sense that we establish ourselves in the Philippines, the main source of migrant domestic workers to Hong Kong. So we began the steps to establish a Fair owned sending-side employment agency, called Honest Jobs Agency. However, as newcomers to the scene, we believe our involvement raised scrutiny and attention from the status quo. Unfortunately, the regulatory constraints and barriers to entry made it infeasible for us to establish a sending-side agency in the Philippines as we planned.

Over the years, we had many people across Asia and the Middle East ask for support in starting companies following Fair's model. When the Philippines government delays created some capacity on our team, we looked for opportunities to engage these ethical players and gather funds to invest in these agencies. When one of Fair's former interns quit her job to co-found Malaysia's first ethically focused recruitment agency, we saw an opportunity for expanded engagement. This became an exciting opportunity to help guide her and her co-founder. Fair made an investment into Pinkcollar Employment Agency in 2020, to test the mechanics of the investment approach.

How We Adapted:

Invest Locally, Think Regionally

In working with Pinkcollar, we've learned that we need to localise our approach. Instead of building Fair entities in new markets, we are finding local entrepreneurs who share our values. Local entrepreneurs are better able to navigate bureaucratic red tape without raising concerns from entrenched interests. This should ease the process of obtaining and maintaining essential business licenses and be powerful, local voices for ethical recruitment. As we identified high potential entrepreneurs, it became clear we wanted to partner with them. In order to ensure our partners continue to be mission aligned, we will use tools such as equity, board seats as well as other creative solutions to give us influence in perpetuity.

Despite the economic uncertainty created by Covid, we are proud to be able to navigate through the uncertainties and launch our investment approach, Honest Jobs Holdings. We established Honest Jobs Holdings in 2018 to manage our investment in the Honest Jobs Agency in the Philippines. Though the Honest Jobs Agency did not work out as we planned, we can use this entity to fund, support, and mentor entrepreneurs who are dedicated to building ethical recruitment agencies across Asia. Investing in and providing in-depth advisory support, allows us to be part of solving these problems regionally without managing the day-to-day operations. We are optimistic that this new business line will allow us to expand our regional impact on the migrant worker market.

Looking Forward:

As we look to the future, our plan is to expand the Fair model to more countries and industries. To do this, we will continue to seek opportunities to invest in local, ethically minded employment agencies in new countries. We look to partner with local entrepreneurs in sending-side countries including Philippines and Indonesia while also engaging with destination-side countries including Taiwan, Singapore, Malaysia and Thailand. By engaging both sending and destination-side agencies, our goal is to build a network of ethical players from across Asia who can form ethical pathways for migrant workers.

Thinking beyond domestic work, we look to work with agencies and brands operating in major industries that rely on migrant labour, including manufacturing, hospitality, healthcare and agricultural industries. Migrant workers in these industries have long been subject to exploitative and unethical recruitment practices. Yet, ethical options are usually far and few between. But we do see that many of the world's largest brands are interested in eliminating exploitative recruitment practices that lead to abuse or mistreatment. By working with agencies and brands in these industries, we anticipate significant opportunities to disrupt unethical players in these markets.

Our regional expansion will require us to raise funds to support our growth and investment into groups working on solving the ethical recruitment problem. We will continue to look for impact investors that align with our mission. We are optimistic that our ethical recruitment operational experience, pragmatism and trial investment experience will make it attractive for investors. By seeking mission-focused investors and investing in like-minded local entrepreneurs, this will enable us to make broad industry change regionally and globally.

Fair Employment Foundation

Fair Employment Foundation

Fair Employment Foundation builds market solutions to end the forced labour of migrant workers across Asia. Established in November 2014, we build business models designed to scale, to make the market work better for workers and employers.

Highlights:

2020-21 Highlights

Our online portal reaches **over 80,000** pageviews per month

Supported Fair Subsidiaries in their Operations, HR & Communications Needs

New Challenges:

Guiding employers through uncertainty

Covid has created unprecedented levels of uncertainty. With constant changes in travel and the migration process, employers hiring domestic workers need reliable and timely updates. This created a burden on our teams across all of our initiatives, and additional stress for workers and employers alike.

How We Adapted:

Delivering immediate information

In response, we focused on creating time-sensitive content for employers and workers who are all currently navigating COVID issues on our online resource for employers of migrant domestic workers in Hong Kong, [Get Answers \(www.fairagency.org/answers\)](http://www.fairagency.org/answers). A wide range of hiring and managing topics are covered here including important information on hiring and travelling in times of COVID. Many people told us that our Get Answers section became the source for accurate actionable information during the times of greatest uncertainty.

Looking Forward:

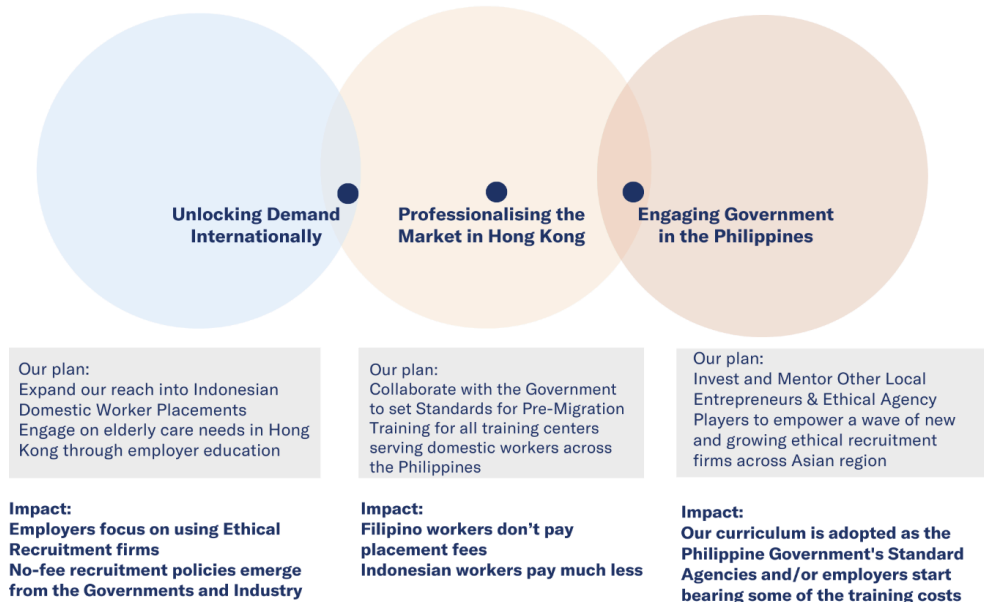
Our Five Year Vision

We have long sought to become a regional player, in expanding access to ethical recruitment. Given the complexity of migration, we realised that there's very different circumstances for each migration corridor. So, we created a Five Year Vision that factors in the unique challenges and opportunities associated with each market. This is an exciting step for Fair because it shows our region-wide approach is starting to take root. Below is a summary of the Five Year Vision:

The demand for ethical recruitment exists. But there aren't enough ethical recruitment firms to fill the demand. Honest Jobs is helping local entrepreneurs fill this gap in the international market.

Fair Agency is reframing the employee-employer relationship and professionalising employers' approach to recruiting Domestic Workers in Hong Kong.

Fair Training Center works with the government to simplify training and reduce costs to workers. We focus on preparing migrant workers for the migrant journey.



We are excited about these new opportunities and the lasting impact we can make on the lives of migrant workers. In the next 5 years, we will continue to catalyse market-wide change. Though the future of a post-Covid world remains uncertain, we are certain that forced labor of migrant workers is a solvable issue.

Our Supporters & Financials

2020-21

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 2020-21 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 2020-21:

- Global Fund to End Modern Slavery
- Macquarie Group Foundation
- Manan Trust
- Peery Foundation
- DH Chen Foundation

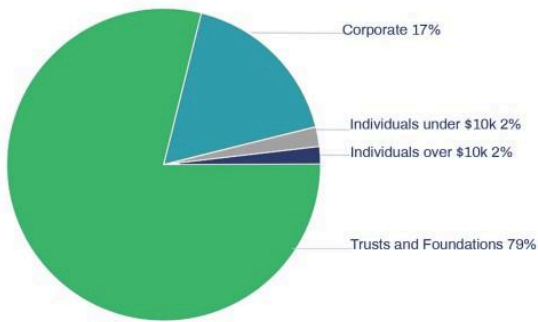
Our supporters in 2020-21 who lent us their expertise, time, and key resources:

- IOM
- ILO
- UN Women
- Gibson Dunn, Oliver Welch.
- Hogan Lovells, Eugene Low, Catharine Lau, Ruth Barnes
- Herbert Smith Freehills, Jamie McClaren and Rachita Bhagnani
- PJS Law, Ramil E. Bugayong
- Stephenson Harwood, Tzei Wei, Jezamine Fewins
- Ken Chang
- Interns: Jason Yu, Megan Lee, Rachel Cheng, Rubie Lee

Our Financials

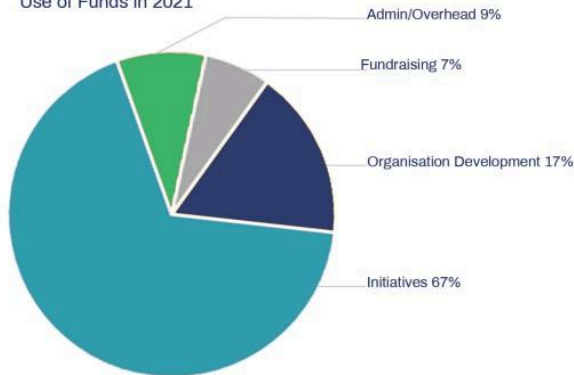
Fundraising

Source of funds in 2021



Breakdown of use of funds

Use of Funds in 2021



USD

	2021	2020
Donations	\$557,549	\$1,077,833

FEF EXPENDITURE

	2021	2020
Training	26%	21%
Agencies	14%	44%
Investment Approach	15%	10%
Organisation Development	17%	8%
Employer Education	12%	10%
Fundraising	7%	2%
Administration/ Overhead	9%	5%
Total Expenses	\$564,571	\$667,769

Leading the Way

Aimee Gloria, Interim CEO of Fair Employment Foundation
 Executive Director of Fair Training Center
 Grace Cheng, General Manager of Fair Employment Agency
 Carmel Laurino, Managing Director of Honest Jobs
 May Liu, Communications Manager
 Rachael Ma, Development Manager
 Hannah Kitching, Finance and Compliance Officer

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Oliver Welch (joined in 2022)

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