



Regulating Private Recruitment: Policy Options and Key Challenges

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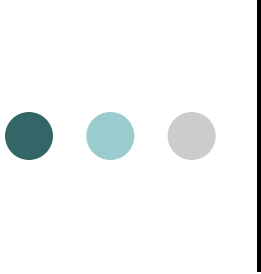
Outline

- Policy Options
- Key Challenges and Policy Gaps
- Bridging Gaps: 5 Ways Forward



Policy Options

1. Licensing recruitment agents



National requirements for licensing recruitment agencies, Sri Lanka and the Philippines

Requirements	Sri Lanka	Philippines
Nationality	Must be a Sri Lankan citizen or a firm in which all partners are Sri Lankan citizens or a company where majority of shares are owned by Sri Lankan citizens.	Must be a Filipino citizen or a partnership or corporation in which 75 per cent of the capital is Filipino owned or controlled.
Financial capacity	Provide a bank guarantee of LKR 750,000 (USD 7,000)	Provide proof of capital of not less than PHP 2 million (USD 44,000) and two types of guarantees: bank deposit under an escrow account of PHP 1 million (USD 22,200) and surety bond of PHP 100,000 (USD 2,200); pay filing fee of PHP 10,000 (USD 200) and license fee of PHP 50,000 (USD 1,100).
Personal and professional qualifications	Must submit police clearance reports from the nearest police station and two recent testimonials in support of the character and reputability of the person who is in charge of the foreign employment agency. One of these should be from the local Gramasevaka Niladhari of the area where he resides confirming that the person who is applying for the license has been living in that area.	Must pass a criminal and derogatory-record examination; not have been subject to a complaint or charged with or convicted of illegal recruitment.
Management and marketing capabilities	Maintain an office with a floor area of at least 500 square feet. Office must be located in an easily accessible area near public transportation, and with telephones with IDD facilities, fax, computers, databases, typewriters, photocopiers and trade-testing facilities.	Proof of job orders for not less than 100 workers; need to attend a training on recruitment business management.

Source: Agunias, 2011a.



Policy Options:

1. Introduce a Licensing Scheme for Recruitment Agents
2. **Limit Participation to Qualified Workers and Employers**



Policy Options

1. Introduce a Licensing Scheme for Recruitment Agents
2. Limit Participation to Qualified Workers and Employers
3. **Set the Terms and Conditions of Recruitment**



Set the Terms and Conditions of Recruitment

- Where and How to Recruit?
- Caps on Recruitment Fees
- Terms and Conditions of Work
- Agency Liability and Responsibility



Policy Options

1. Introduce a Licensing Scheme for Recruitment Agents
2. Limit Participation to Qualified Workers and Employers
3. Set the Terms and Conditions of Recruitment
4. **Ensure Compliance through Monitoring, Adjudication and Sanctions**



Key Challenges and Policy Gaps

- Overcrowded market for licensed agents



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- **Proliferation of sub-agents and brokers**



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- Overcrowded market for licensed agents
- Proliferation of sub-agents and brokers
- Exploitation and/or collusion among agents and between agents and employers
- **A broken legal system for migrants**



Bridging Gaps: 5 Ways Forward

1. Reduce the number of licensed recruitment agencies to an optimum level
2. Bring subagents and brokers into the formal sector
3. Regulate transactions among recruiters and between recruiters
4. Address inadequacies of existing grievance mechanisms



5. Place Monitoring, Evaluation and Frequent Adjustments Front and Center

First, do no harm!



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