



International
Labour
Organization



▶ **Impact of COVID-19
on private recruitment
agencies in the Philippines**

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Introduction

The COVID-19 global pandemic is not only a health crisis but also an economic and social one, affecting women and men workers – including migrant workers - who are at risk of facing significant decent work deficits. ILO estimates show that, assuming a situation without any alternative income sources, lost labour income will result in an increase in relative poverty for workers and their families of more than 21 percentage points in upper-middle-income countries, almost 52 points in high-income countries, and 56 points in lower- and low-income countries.¹

In 2019, income remittances from Overseas Filipinos (OFs)² reached a record high of US\$33.5 billion, which is 3.9 per cent higher than the figure in 2018.³ The Central Bank of the Philippines (Bangko Sentral ng Pilipinas) declared that the sustained growth of personal remittances during 2019 had been driven by land-based workers with work contracts of one year or more, who had sent a total of US\$25.6 billion, accounting for a 3.5 per cent increase over the previous year. However, due to the pandemic, the National Economic and Development Authority (NEDA) (Ministry of Planning) estimates that about PHP 3.9 to 8.5 billion worth of remittances⁴ will be lost as a result of the crisis affecting OFs, both permanent and temporary migrants.

The largest segment of OFs, which accounts for 90 per cent of annual deployment⁵, falls under the group classified as temporary migrant workers, or the Overseas Filipino Workers (OFWs). OFWs are deployed through licensed recruitment agencies under the regulatory mandates of the Philippine Overseas Employment Administration (POEA). The Department of Labour and Employment (DOLE) also estimates that more than 500,000 OFWs, or about half of the annually deployed OFWs, will lose their jobs because of the crisis.

Although the pandemic is obviously preventing migrant workers from reaching their employers, and therefore from earning and sending remittances back to the Philippines, there is little information available at present about the way in which the crisis is affecting the recruitment industry and how its actors, in particular Private Recruitment Agencies (PRAs), are responding. There is no denying that the important role of recruitment agencies in migrant worker deployment is recognized in the national policies of both origin and destination governments, and that governments around the world are implementing measures to provide assistance to different segments of the population and sectors of the economy - including business owners who employ workers. However, there is a need for more data and information to be able to understand how recruitment agencies are coping with the COVID-19 crisis.

1 ILO: *ILO Monitor: COVID-19 and the world of work. Third edition*, 29 April 2020, available at: https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_743146.pdf

2 Philippine Statistics Agency, available at: www.psa.gov.ph. Overseas Filipinos (OFs) is the term encompassing all Filipino migrants, whether permanent or temporary, legal or unauthorized.

3 Bangko Sentral ng Pilipinas (Central Bank of the Philippines): *Overseas Filipinos' Remittances*, available at: https://www.bsp.gov.ph/Media_And_Research/Media%20Releases/2020_10/news-10152020a1.aspx.

4 NEDA: *Addressing the social and economic impact of the Covid-19 pandemic*, 19 March 2020, available at: http://www.neda.gov.ph/wp-content/uploads/2020/03/NEDA_Addressing-the-Social-and-Economic-Impact-of-the-COVID-19-Pandemic.pdf

5 A. Orbeta and M. Abrigo: "Managing international labour migration: The Philippine Experience", in *Philippine Journal of Development*, Philippine Institute for Development Studies, Volume 38, Nos 1 and 2 (2011).

► Objectives of the assessment

The International Labour Organization (ILO) collaborates with governments, workers' representatives, and private sector constituents to improve fair recruitment processes in selected countries and labour migration corridors. In the framework of its [Fair Recruitment Initiative](#), the ILO is conducting a series of assessments to understand the impact of the COVID-19 pandemic on the processes and key stakeholders involved in labour recruitment. The ILO's [Integrated Programme on Fair Recruitment](#) (FAIR phase II) in the Philippines is specifically assessing the impact of the crisis on PRAs, given their significant role as partners in labour migration, with a focus on the labour migration corridor between the Philippines and the Hong Kong Special Administrative Region (SAR), China⁶.

This assessment sets out to document the challenges and concerns faced by the recruitment industry as a result of the pandemic, in order to share these with the relevant government authorities and other stakeholders, and to inform policies, strategies and activities that might help recruitment actors uphold fair recruitment principles in the context of the ongoing crisis and its widespread economic and social repercussions.

The assessment's objectives are to:

- Identify the direct and indirect repercussions of the pandemic on the PRAs' business operations;
- Understand the ensuing challenges faced by the PRAs;
- Identify what specific actions PRAs have taken as a response to the situation, and how they anticipate restoring operations;
- Identify recommendations towards helping PRAs restore operations whilst sustaining fair recruitment principles.

This assessment covers the period during which mobility restrictions were imposed by the Philippine Government - between 16 March and 15 May, 2020.

► Methodology

The crisis calls for a Rapid Needs Assessment (RNA), using a simple and straightforward method, sensitive to gender and non-discrimination issues, which can provide valid insights to the various stakeholders. The present situation made it imperative to collect information for the RNA remotely to prevent the spread of the virus, and this was achieved by means of an online questionnaire (Google form). The questionnaire itself was prepared with technical inputs from experts on specific ILO areas of competence. The survey instrument was pre-tested with three individual PRAs by means of a phone interview, to increase the validity and reliability of questions and data to be collected. The final instrument was then uploaded, and a link to the online survey was sent to three associations of private recruitment agencies with whom the ILO FAIR project had been in contact between 2016 and 2019, which are specifically but not exclusively involved in the domestic work sector in the Philippines-Hong Kong SAR corridor.

⁶ Hereafter named as "Hong Kong SAR".



The survey included 15 main questions separated into three main sections: profile of agency; impacts of the crisis on business operations; and ways forward to restore operations (See Annex III). A total of 54 respondents participated in the survey – 37 from Hong Kong SAR and 17 from Philippines. Follow-up phone interviews were conducted with five respondents to clarify responses. The survey did not seek to support in-depth analytical data collection nor statistically significant data, but rather to capture emerging and often rapidly evolving realities and needs to support targeted interventions and mitigation strategies. The sources of the survey's findings are anonymous.

► Outline of the report

The report is divided into the following sections: 1) Profile of the respondents; 2) Impact of COVID-19 on recruitment agencies; and 3) recruitment agency perspectives on moving forward and recommendations.



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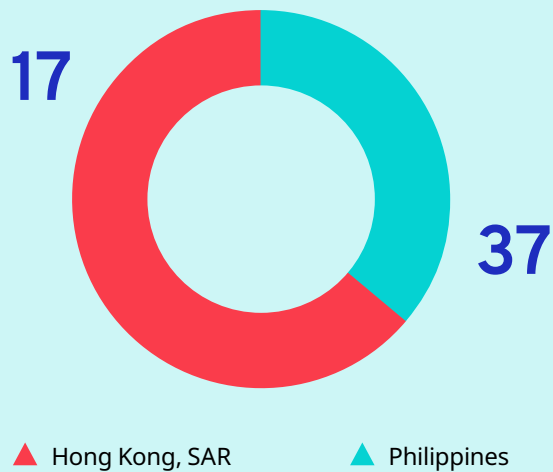
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Profile of the respondents

▶ Survey participants

The survey respondents consisted of 68.5 per cent recruitment agencies based in Hong Kong SAR, and of 31.5 per cent recruitment agencies in the Philippines (figure 1). One agency in the Philippines is based in Cebu, an urban centre outside Metro Manila (the country's capital).

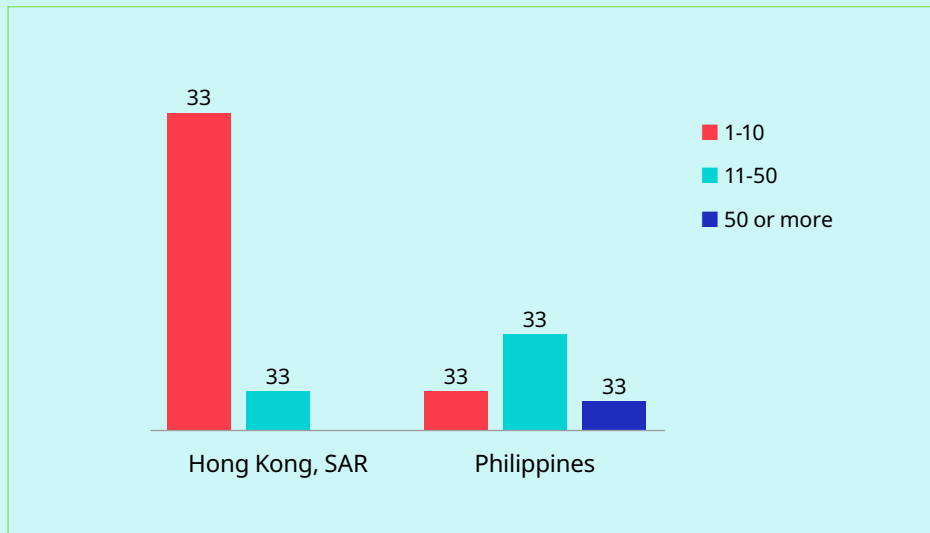
▶ Figure 1: Distribution of respondents



► Total number of staff or employees of the recruitment agency prior to the pandemic

Of the recruitment agencies that responded to the survey, 68.5 per cent stated that they had only one to ten employees before the COVID-16 crisis; 26 per cent had 11-50 employees; and 5.5 per cent had more than 50 hired staff (figure 2). Before the COVID-19 crisis, the respondents had a deployment range of between 341 workers for smaller recruitment agencies and 1,223 deployed workers for agencies with higher deployment capacity.

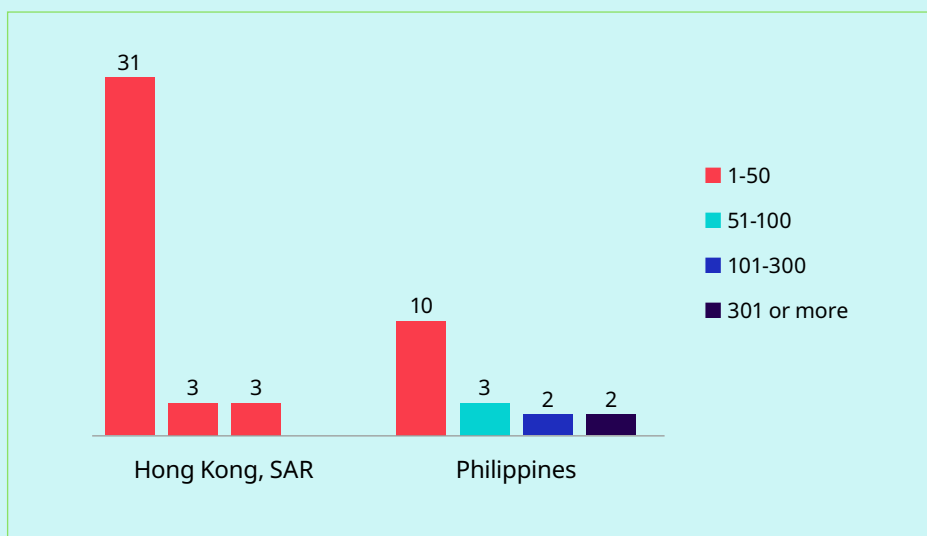
► Figure 2: Number of agency staff pre-COVID-19



▶ Total number of workers recruited or deployed

Of the respondents, 76 per cent answered that they used to recruit or deploy 1-50 workers a month prior to the crisis; 11 per cent deployed 51-100 workers; 9 per cent deployed 100- 300 workers; and 4 per cent would place 301 or more workers (figure 3).

▶ Figure 3: Deployed workers prior to COVID-19



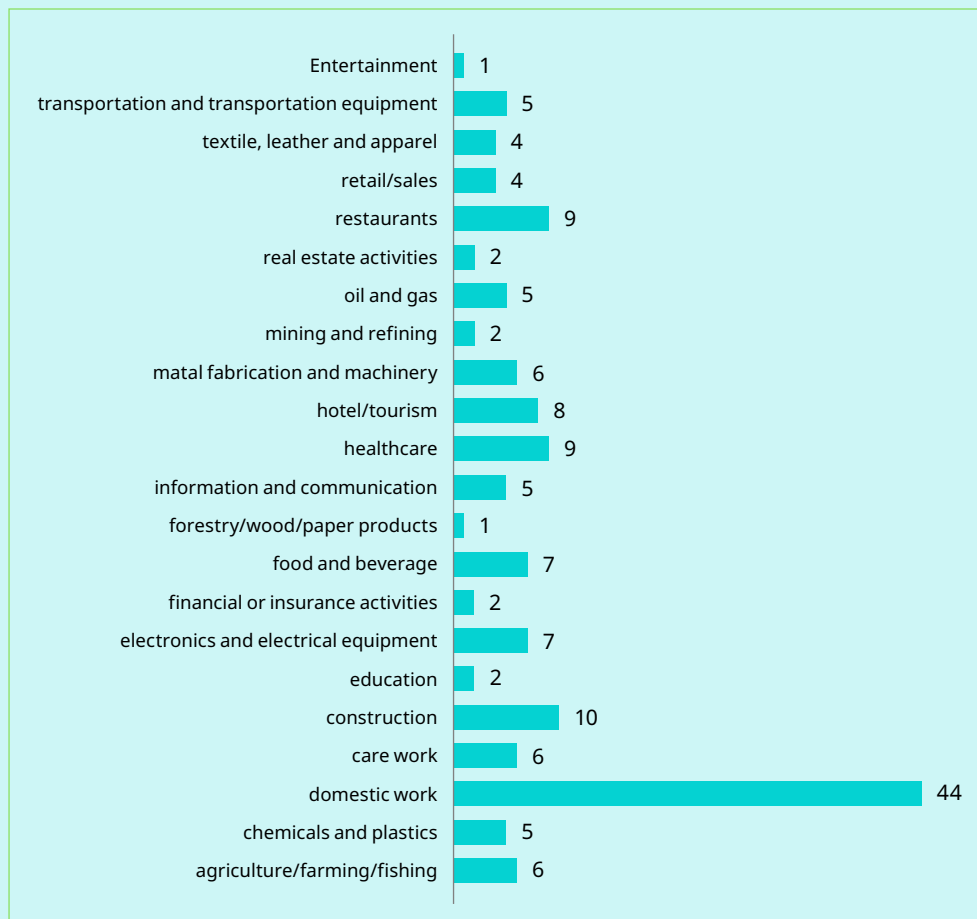
▶ Target labour market

Of the agencies replying to the survey, 77.4 per cent stated that they recruited, deployed and facilitated employment only for foreign labour markets (cross-border recruitment). The agencies based in the Philippines have a higher share of foreign labour market recruitment, accounting for 88 per cent; while two agencies specified that they also recruited for the Philippine labour market. In the case of Hong Kong SAR, the mix of placement of migrant workers is higher, with 28 per cent facilitating employment locally (direct recruitment within Hong Kong SAR) and internationally (across borders).

► Sectors of recruitment operations

Among the respondents, 81.4 per cent stated that they recruited, deployed or facilitated the employment of migrant domestic workers from the Philippines; this reflects the fact that the PRAs targeted for the assessment are primarily engaged in the Philippines-Hong Kong SAR corridor. The second largest sector is the construction sector, followed by the restaurant and healthcare sectors (figure 4). The most notable observation is that 19 per cent of respondents did not deploy or place domestic workers; and 32 per cent deployed workers to a variety of different sectors.

► Figure 4: Sectors of recruitment

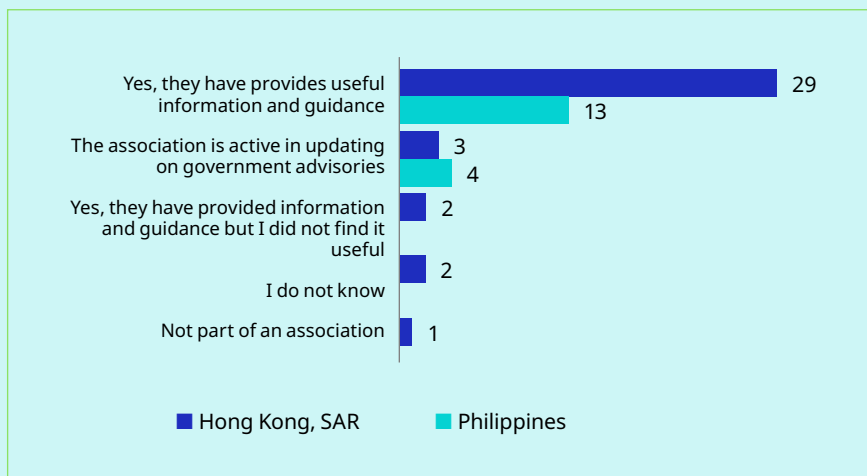


► Roles of recruitment agency associations

The Philippine Overseas Employment Administration (POEA) currently has 861⁷ licensed landbased recruitment agencies on its website, while there are 1,412⁸ private employment agencies regulated by the Hong Kong Labour Department under the Employment Agencies Administration (EAA). Given the sheer number of agencies requiring access to information, associations of recruitment agencies serve as a good platform to disseminate information on government policies, advisories and other services available for them and their clients.

Figure 5 shows that 70 per cent of the respondents believe that associations of recruitment agencies in both the Philippines and Hong Kong SAR provide useful information and guidance to their members, including information related to COVID-19 issues.

► **Figure 5: Replies from agencies to question 24 of the survey, which asked them to evaluate the role that their association of agencies had played (see Annex III)**



⁷ Philippine Overseas Employment Administration (POEA): Status of recruitment agencies, available at: <http://www.poea.gov.ph/cgi-bin/aglist.asp?mode=all>, accessed on 6 May 2020.

⁸ M. Zhou: “Wrong prescription, wrong patient,” unpublished working paper under the ILO Integrated Programme on Fair Recruitment, Hong Kong Special Administrative Region, China (October 2017).





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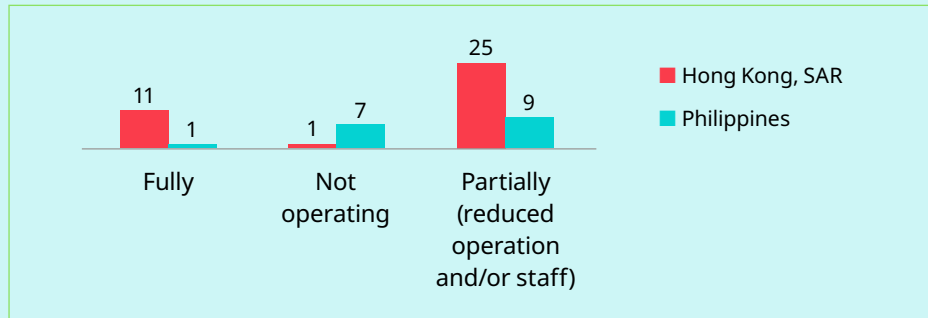
Impact of COVID-19 on recruitment agencies

▶ Impact on business operations

Figure 6 clearly shows the impact that COVID-19 has had on the recruitment agencies in terms of their capacity to continue business operations. Seventy-eight per cent of the respondents said that they had partially or fully ceased operations; indeed, it was revealed that 94 per cent of the agencies in the Philippines, as compared to 70 per cent in Hong Kong SAR, have been affected by the crisis in terms of their operations. These findings may be explained by the policy differences between the Philippines and Hong Kong SAR, particularly with respect to domestic flights within the Philippines and international flights from Manila to Hong Kong SAR.

The situation in the Philippines therefore differs from that in Hong Kong SAR. In the case of Hong Kong SAR-based agencies, migrant workers with contracts that ended or prematurely terminated due to the COVID-19 crisis can renew or find new employers through an agency. However, both the Philippine Overseas Labour Office (POLO) and the Hong Kong SAR labour immigration authorities have limited or suspended operations. Any contract-related transactions therefore need to be conducted through an agency. In the Philippines, the POEA Memorandum Circular Number 7, published on 16 March 2020, specified that services, such as contract processing for departing OFWs and the issuance of over-the-counter Overseas Employment Certificates, would be suspended until further notice. At the time of the survey, there was no POEA advisory yet on the resumption of these services.

► **Figure 6: Impact of COVID-19 on the capacity of recruitment agencies to continue business operations**



► Impact on specific sectors

Between March and mid-May 2020, there was an overall decline in employers' demand in a number of sectors, particularly for domestic work (38 per cent) and hospitality (9 per cent). Conversely there was an increase in employers' demand for healthcare workers, particularly for nurses and caregivers (17 per cent). Nonetheless, most recruitment agencies observed that changes in employers' demand, whether positive or negative, were outweighed by the shortage of labour supply from the Philippines. This observation is valid only for the period between 16 March and 15 May 2020 (end date of survey), when the Philippine government started implementing the Enhanced Community Quarantine, which restricted movement from one part of the Philippines to the National Capital Region - where the main international airports are located.

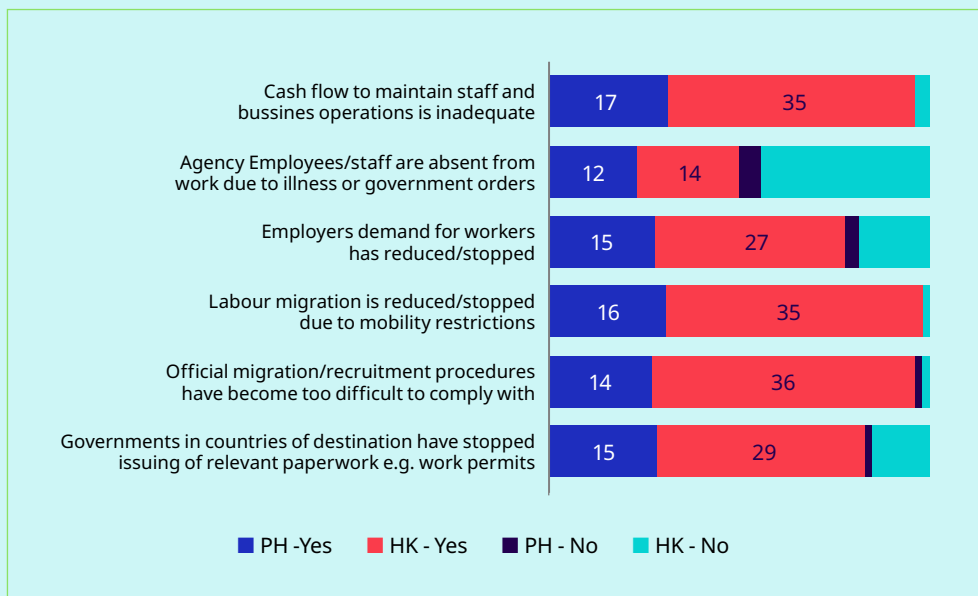
► Challenges affecting recruitment operations during the COVID-19 crisis (March-April 2020)

Of all the challenges facing recruitment agencies, 98 per cent of the respondents said that mobility restrictions (domestic flights within the Philippines and Hong Kong SAR-bound international flights) affected recruitment operations the most. This was followed by official migration or recruitment procedures, such as the compulsory quarantine period for migrant workers, at 96 per cent. The cash flow to maintain staff and business operations was the third major challenge, at 96 per cent (figure 7).

The majority of respondents observed the effects of the crisis on various aspects of recruitment operations. In particular, the crisis had had an impact on demand (labour migration reduced or stopped), cash flow, and official recruitment procedures. The clear exception was the answer to the question of whether the agencies' employees or staff being absent from work "due to

illness or government orders” had presented a particular challenge; exactly 50 per cent of the respondents stated that this had not affected their operations. However, in the case of Philippines-based agencies, 80 per cent said that the absence of their employees, which might be attributed to mobility restrictions, had had an impact on their operations.

► **Figure 7: Challenges affecting agency operations**

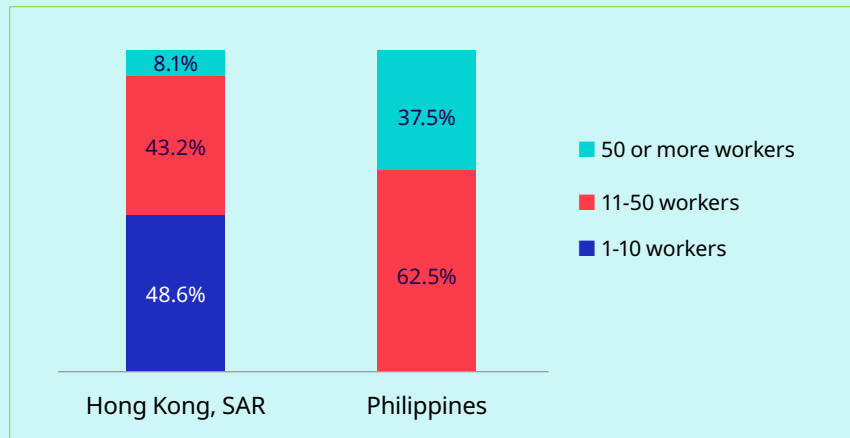


► Impact on deployment

The crisis halted the deployment of workers for whom agencies had initiated recruitment – and this has affected all agencies in the Philippines and in Hong Kong SAR.

Four out of ten Philippines-based recruitment agencies reported that the recruitment process had been interrupted for more than 50 workers, who had not been able to be deployed since March 2020; the other Philippines-based agencies noted the same for 11-50 workers per agency.

Three out of ten agencies said that they were aware that workers they had recruited or were deploying had been infected by COVID-19. In cases where the workers were already in Hong Kong SAR, the agencies would report cases to the Philippine Consulate, the POLO-HK and the Health Department, and refer the worker to the hospital for treatment. They would also talk to the employer to request that the workers were given due healthcare if needed, and granted their salary and benefits. In the event that the workers were still in the Philippines, the agencies would delay the deployment and the processing of the workers’ contract until they had been cleared by the Philippine government to travel to Hong Kong SAR.

► **Figure 8: Agencies reporting an interrupted deployment of workers**

► Short-term agency measures to adapt to the crisis

As shown in figure 9, the most common short-term measure adapted by the recruitment agencies in both the Philippines and Hong Kong SAR (96 per cent of responses) was to defer deployment. This was followed by the provision of detailed information on COVID-19 to workers (93 per cent of responses).

Other adaptation measures by agencies included requesting government support and/or subsidies (74 per cent of responses), and reducing operational costs by cutting down on agency employees (64 per cent of responses).

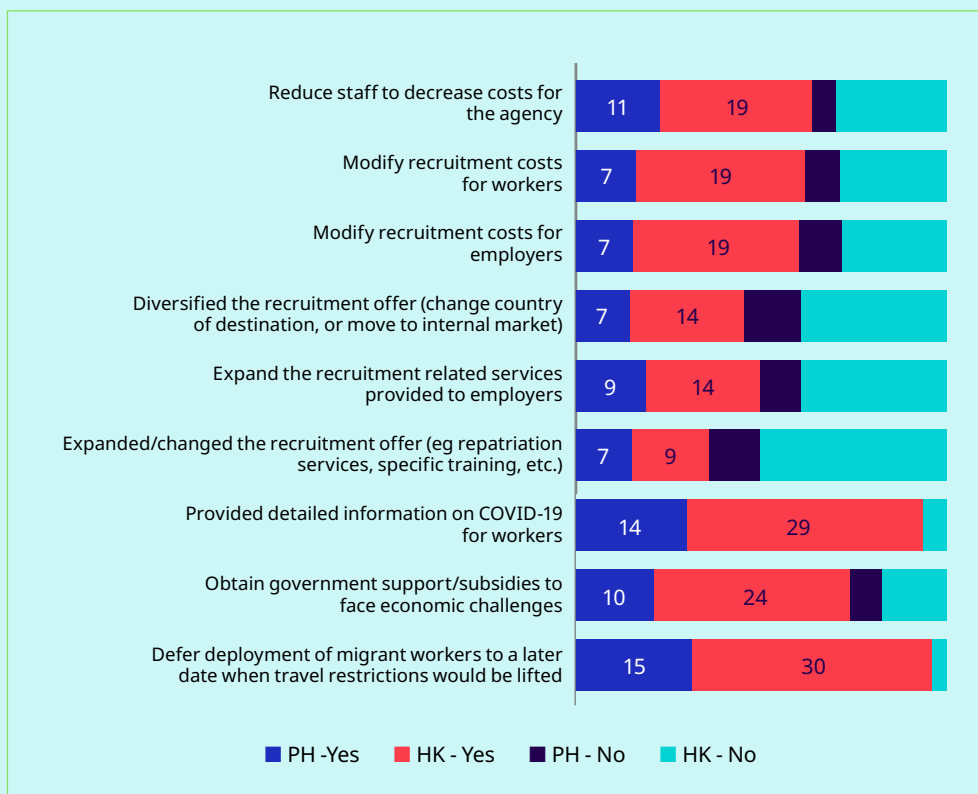
Aside from the measures listed in figure 9, other short-term adaptation measures were taken by the recruitment agencies. These included:

- Modifying working hours and days;
- Conducting fewer face-to-face interviews between employers and workers;
- Sustaining contact with employers and employees, and sharing news or updates about COVID-19;
- Informing employers about the status of workers and discussing steps to complete the hiring process;⁹

⁹ In cases where selected candidates had completed the required documentation aside from the Overseas Employment Certificate.

- ▶ Keeping in touch with applicants, including offering “hotline services” to answer questions from employers and workers;
- ▶ Creating a “work from home set-up” for agency employees, and providing COVID-19 financial assistance to them;
- ▶ Having meaningful conversations with candidates in the agencies’ pipeline to obtain updates on their health conditions; and
- ▶ Contributing to initiatives of different industry associations; attending industry webinars to gain information.

▶ **Figure 9: Challenges affecting agency operations**





3

Recruitment agency perspectives on moving forward and recommendations

► Time required to restore operations

The respondents were asked: If travel restrictions/confinement measures are lifted within the coming two months in all countries where your business operates, how long do you think will it take your agency to fully restore normal operations? Eighty-five per cent of the respondents believed that they could recover from the current crisis as soon as the restrictions were lifted (figure 10). They foresaw that the recovery would take from one to over six months.

► Figure 10: Time required to restore recruitment operations



	%
Less than 1 month	11
Between 1 and 3 months	41
Between 3 months and 6 months	15
Over 6 months	19
I am considering closing temporarily or permanently	2
I do not know as the situation is too colatile to assess	13



► Specific recommendations to restore recruitment operations

This section includes a number of specific survey recommendations made by the recruitment agencies. The ILO is also proposing recommendations on ways to restore recruitment operations, while upholding international standards and principles on fair recruitment.

► Enhance access to government financial support to agencies or grant a reprieve of tax payments



Recruitment agency recommendations

- Government assistance, which might include tax discounts or an instalment payment scheme;
- Support to normalize the cost of air travel through discounts/subsidy on plane tickets for OFWS and staff of agencies;
- A possible deferral of withholding tax payments on office rentals.
- As in other industries, access to low, or if possible zero, interest on business loans from government banks or financial institutions.



ILO recommendations

- The ILO recommends that affected agencies be included in government assistance programmes offered to businesses in other industries, such as: an employment support package; SSS loan guarantees for employees of recruitment agencies; easing of mobility restrictions for recruitment agencies which was at thirty per cent staffing and operational capacity during the height of the lockdown.
- Dialogue with industry members, represented by the associations, would help ensure the adequate level of assistance and identify secure ways of resuming and adapting recruitment operations.

▶ **Introduce guidelines on monitoring and coordinating affected OFWs with the POLO-HK and HK Labour Department**



Recruitment agency recommendations

- ▶ Recruitment agencies commend the efforts of the Hong Kong Labour Department (HKLD) in disseminating information on the rights and obligations of employers and domestic workers in Hong Kong SAR.
- ▶ One of the biggest challenges for agencies over the past two months has been to address the number of COVID-affected OFWs, particularly those with prematurely-terminated contracts. Specific guidelines on information-sharing and POLO-HK response mechanisms need to be developed in close coordination with recruitment agencies in Hong Kong SAR and in the Philippines.



ILO recommendations

- ▶ The ILO recommends promoting further social dialogue on unprecedented issues such as the payment of salaries during compulsory quarantine, sick leave for infected workers, etc.
- ▶ To complement agency initiatives, the ILO recommends that agency associations and government work together on developing guidelines for recruitment agencies to support and provide information on relief assistance and support services to workers.
- ▶ The ILO recommends that both origin and destination governments hold orientation and information sessions, or publish relevant guidelines, targeting recruitment agencies. These information sessions could be offered online, and aim for agencies to better assist OFWs who are about to depart, be repatriated, or be processed as new applicants. They may also include sessions on how to enhance the recruitment agencies' Operational Health and Safety compliance for their staff and the applicants that visit their offices.

► Introduce flexible and online procedures and systems to sustain operations



Recruitment agency recommendations

- Before the recruitment industry can resume operations, it is vital that the employees or staff of recruitment agencies be allowed to report to work and granted due exemption from the community quarantine/lockdown, subject to the national guidelines on the movement of critical employees that keep businesses running.
- Recruitment agency operations will also have to be complemented by the government agencies' ability to reopen, particularly agencies that are involved in the processing and deployment of OFWs in the Philippines, and those who need to process work permits in Hong Kong SAR - including contract verification and grievance redress by the POLO-HK.
- There must be a discussion on the way critical service providers - such as training centres, medical clinics and Pre-Deployment Orientation Seminar (PDOS) providers - are allowed to operate because OFWs will be unable to leave without accessing these services.



ILO recommendations

- The ILO recommends that the government devise alternative ways of operating, such as an online pre-departure certification system; however, this should be preceded by an extensive consultation with the industry players.
- Governments should develop and adapt new technologies to implement e-recruitment systems, drawing on lessons learned from the Employment Permit System in the Republic of Korea, eMigrate in India, and Musaned in the Kingdom of Saudi Arabia.

► Recognize increased recruitment fees due to the COVID-19 crisis



Recruitment agency recommendations

- Given that this crisis is unprecedented, there may be unforeseen costs, outside the contract, that employers will be asked to cover, including increased airfares and quarantine-related costs (food and accommodation for workers coming from the Philippines). Recruitment agencies should seek the guidance of the HKLD on revisiting the service agreement between the employer and the HK-based recruitment agencies to cover the costs of recruiting Filipino migrant workers.



ILO recommendations

- The ILO recommends that recruitment agencies document recruitment cost changes due to the COVID crisis and present them to the HKLD to solicit guidance on how to reflect cost changes in the service agreement between the employer and the recruitment agency.

► Coordinated efforts to find solutions to recruitment bottlenecks



Recruitment agency recommendations

- The recruitment process between the Philippines and Hong Kong SAR is well established. Some key processes, such as the issuing of relevant and required documents (including work permits or Overseas Employment Certificates), have been affected by the COVID-19 crisis to varying degrees and would benefit from close bilateral discussions.



ILO recommendations

- The ILO recommends that the relevant national agencies (the Philippine Consulate- General, with the POLO-HK and the HKLD) create a working group to remove bottlenecks in the recruitment process so that workers and employers are spared from the effects of recruitment process disruptions.
- Such a working group would also benefit from representation from the recruitment industry, workers/ trade unions, and employers' groups. Civil society organizations, including international organizations such as the UN, in Hong Kong SAR and in the Philippines, would be well placed to contribute technical support to the discussions.

► Access to justice



Recruitment agency recommendations

- Recruitment agencies are requesting the Philippine government to allow the Single Entry Approach (SEnA) or conciliation on workers' complaints endorsed by the POLO-HK during the period of the COVID crisis. It is important to emphasize that this crisis is like no other, and that the number of affected workers and employers is growing. There could be a number of reasons why workers might be terminated during this crisis.



ILO recommendations

- The ILO highlights the importance of ensuring that due process and conciliation between the OFW and the employer is facilitated while the OFW is still in Hong Kong SAR. This may be assured through the POLO-HK.

► Engaging PRA associations to disseminate relevant information



ILO recommendations

- Having access to reliable and accurate information through associations of recruitment agencies will better inform their members how to sustain their operations and better plan when they re-enter the market, once the situation normalizes. Associations also provide member recruitment agencies with a channel through which they may negotiate with governments, in this case with Hong Kong SAR and Philippine governments.
- The delivery of the training and capacity building for private recruitment agencies on international labour standards and GP and OP should be continued, to ensure the smooth resumption of fair recruitment practices.



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Annexes

► Annex I: Correlation between recruitment industry challenges brought about by COVID-19 and the perceived impact on business operations

Given that response frequency may be an indicator of a relationship between the challenges brought about by the crisis and the capacity of recruitment agencies to operate (see figure 6), a statistical analysis has been undertaken to examine the relationship between these challenges and their impact on the agencies' business operations (see table A.I.1).

Using association analysis, this rapid assessment, despite having a small sample size, intends to measure the strength of the relationship between these six challenges and their impact on the agencies' capacity to operate. Recruitment agency operations have been classified into: fully, partially and temporarily stopped. Testing the relationship between these variables would also help the author to identify attributable factors in describing any statistical association using the mathematical equation below:

Cramer's value is:

$$V = \sqrt{\frac{\chi^2}{n \cdot df^*}}$$

χ^2 is Pearson's chi square value, n is the sample, and $df^* = \min(r-1, c-1)$, where r is 3 (operational capacity) and c is 2 (challenge affecting operations or not).

$\chi^2 = \sum (O_i - E_i)^2 / E_i$, where O is the observed value and E is the expected value.

Table A.I.1 shows that variable 2 (challenge 2) has the strongest relationship with the capacity of the recruitment agency to operate; this is followed by variables 4 and 6. There may be a number of factors that could affect V: the sample size, the categorical variable which may not quantify the response “partially operational,” and the design of the survey instrument itself. Despite the limited association of these variables, they are not statistically significant.

► **Table A.I.1.**

Relationship between the challenges brought about by the crisis and the business operations of recruitment agencies.			
Challenges	Cramer's V	χ^2	<i>p</i>
1. Cash flow to maintain staff and business operations is inadequate.	0.15	1.22	0.543
2. Agency employees/staff are absent from work due to illness or government orders.	0.31	5.13	0.077
3. Employers' demand for workers has reduced/ stopped	0.14	1.01	0.604
4. Labour migration is reduced/stopped due to mobility restrictions.	0.26	3.40	0.183
5. Official migration/recruitment procedures have become too difficult to comply with.	0.16	1.30	0.522
6. Governments in countries of destination have stopped issuing the relevant paperwork e.g., work permits.	0.24	3.10	0.212

► Annex II. Presentation of the findings of the rapid needs assessment (RNA) of the impact of the COVID-19 crisis on private recruitment agencies in the Philippines-Hong Kong Special Administrative Region (China) labour migration corridor

Summary

On 30 June 2020, the ILO Country Office for the Philippines launched a report on the impact of the global pandemic on business operations of private recruitment agencies that deploy Filipino migrant workers to Hong Kong SAR. The online forum, intended to validate the findings and recommendations of the report, included a panel of representatives from the Philippine Government, the recruitment industry, and workers' organizations. The panel shared their views and feedback on the effects of the COVID-19 crisis on recruitment operations in this labour migration corridor.

The online forum was officially opened by Ms Gaëla Roudy Fraser, Programme Manager, FAIR II, who introduced the ILO-wide Fair Recruitment Initiative, which sets out to prevent human trafficking and forced labour and to protect the rights of workers from fraudulent cross-border recruitment practices. Ms Roudy Fraser was quick to caution that the goals of the Fair Recruitment Initiative were being jeopardized by the effects of the pandemic and its economic and social ramifications - as was the case with so many other broad development goals.

The opening remarks were then followed by the presentation of the findings and recommendations of the ILO Rapid Needs Assessment (RNA) of the impact of COVID-19 on recruitment operations from the Philippines to Hong Kong SAR. The panel of reactors were then invited to share their feedback or comments on the report.

Summary of comments from the panel of reactors

Mr Francis Ron De Guzman, Director, Philippine Overseas Employment Administration (POEA)- Anti-Illegal Recruitment Branch

- Mr De Guzman stated that the POEA had received requests from 11 private recruitment agencies (PRAs) to temporarily cease their operations, while others had also signified their intention to do the same. The POEA recommended the PRAs to file for a temporary closure of their offices, rather than a full business closure.
- The POEA emphasized that a key responsibility of the PRAs was the monitoring of the well-being of workers they had deployed. Their reporting requirements regarding their workers' welfare, particularly that of the domestic workers they deployed, should continue.

- As a follow up to the Philippine Association of Service Exporters, Inc. (PASEI)'s statement, the POEA was studying the opportunity of improving the recruitment process by putting in place e-licensing, online learning sessions for recruitment agencies, and the online issuance of Overseas Employment Certificates.

Mr Melchor Dizon, Labour Attaché, Philippine Overseas Labour Office (POLO), Hong Kong SAR

- Mr Dizon shared his comments on the report's findings and recommendations throughout the forum. He also clarified a number of important issues from the perspective of POLO-HK: there were only around 400 agencies accredited with POLO-HK that were allowed to process the recruitment of migrant domestic workers from the Philippines.
- Mr Dizon also added that he found the figure of a 38 per cent decrease in employers' demand for domestic workers to be high. As of December 2019, there had been around 240,000 Filipino domestic workers in Hong Kong SAR; In April 2020, this figure had decreased to 215,000, which was only 10 per cent lower than in December 2019. He shared possible reasons for the decline, such as employer relocation or the travel ban from the Philippines to Hong Kong SAR.
- Mr Dizon reiterated a number of Philippine government services to assist Filipinos in Hong Kong SAR, which included the digitalization of processes and conciliation meetings to settle disputes. He also shared relevant initiatives such as the scheduled meetings with the Hong Kong Labour Department and Immigration Department to discuss issues regarding salaries, food and accommodation of returning Filipino migrant workers, while they were undergoing quarantine in Hong Kong SAR.

Mr Alfredo Palmiery, President, Society of Hong Kong-Accredited Recruiters of the Philippines

- Mr Palmiery underscored his observation that some of the findings were not accurate due to the limited number of respondents to the survey and time constraints. He argued that most PRAs in Hong Kong SAR only deployed domestic workers under the assumption that this sector was the largest, except for a few workers in the entertainment and other high-wage professions. However, he also qualified that some PRAs, who participated in the survey, might have deployed workers in the restaurant and construction sectors to other destination countries. This might explain why other sectors were included in the findings, even if Hong Kong SAR hosts predominantly migrant workers in the domestic work sector.
- Mr Palmiery said that the pandemic had had negative effects on recruitment operations, particularly in the absence of income to cover overhead expenses. Despite their lack of income, PRAs were required to take care of stranded workers in Manila who were bound to travel to Hong Kong SAR. PRAs also needed to explain the situation to employers in Hong Kong SAR who were expecting the arrival of Filipino workers. This period had caused a tremendous financial setback for PRAs in the Philippines.
- Mr Palmiery recommended the Philippine Government to streamline policies, systems and procedures to help PRAs recover or resume operations – and, more importantly, to extend financial support to this industry. He hoped that government financial institutions would have loan packages for PRAs with zero or less interest and longer repayment schemes.

Ms Evan Arellano, Sales and Marketing Officer, Staffhouse Resources International

Also representing the recruitment industry, Ms Arellano reported that Staffhouse Resources International's operations had been reduced from an initial staff number of 50 before the lockdown to only 15—20 per of staff actively working because of the restrictions to deployment. Business development, sales and recruitment activities had been kept to a minimum to survive.

- ▶ Ms Arellano commended recruitment associations such as PASEI and others who had shared information on relevant guidelines for PRAs, and had engaged PRAs in negotiations with the government (POLO and POEA) to gradually resume deployment operations in order to keep the industry afloat.
- ▶ Ms Arellano argued that while POEA and OWWA were asking PRAs to help in the repatriation of workers, PRAs might not have the financial capacity to do so because they lacked the income they usually sourced from deploying workers. She added that PRAs were willing to collaborate with the government and employers to make sure that all the deployed workers were safe.

Ms Nice Coronacion, Deputy Secretary- General, Trade Union SENTRO

Ms Coronacion noted that there had been a positive response from PRAs in terms of the time they needed to restore operations. However, she warned that this perception of a quick return to normalcy might be over-optimistic because of the circumstances under which the economy had to regain its strength – in the light of the Government's capacity to address health risks.

- ▶ Ms Coronacion had discussed with their union affiliate in Hong Kong SAR, the Progressive Labor Union of Domestic Workers (PLU), which reported that all POLO operations had been suspended, except for the renewal of contracts. Thirteen PLU members had been terminated by their employers as they had lost their jobs as a result of the crisis. Unfortunately, recruitment agencies based in Hong Kong SAR had limited capacity to house these terminated workers.
- ▶ Ms Coronacion then discussed a number of government initiatives in the Philippines and in Hong Kong SAR. She reported that trade unions in Hong Kong SAR had called upon the Government to subsidize the accommodation of terminated workers and the quarantine period for workers arriving in Hong Kong SAR. SENTRO believed that the financial assistance to Overseas Filipino Workers (OFWs) might not be able to target all 400,000 applicants in the Philippines; the Congress had only approved PHP2.5 billion, which would only provide assistance to 150,000 individuals.
- ▶ Finally, Ms Coronacion recommended that there should be a possibility to shift the process to access to justice and reporting violations online. She added that the Government should explore and develop online facilities for workers to file or report their complaints, but that a physical setting for conciliation and mechanisms for due process should still be operational.

► Annex III: Needs assessment survey: The impact of COVID-19 on private recruitment agencies

1. Respondent's name:
2. Position in the agency:
3. Email or contact number:
4. Name of recruitment agency (optional):
5. City or area of business:
6. Total number of your agency's employees/staff before COVID-19 hit (full-time, part-time, and temporary):
 - 1-10 11-50 50 or more
7. Total number of workers recruited/placed by your agency on a monthly average before the introduction of travel restrictions (each country to set a date and number ranges according to context):
 - 1-50 50-100 100-300 300 or more
8. Is your agency recruiting:
 - Only for foreign labour markets
 - Only for internal/local labour markets
 - Both local and foreign labour market
9. Sector(s) of recruitment operations:

<ul style="list-style-type: none"> <input type="checkbox"/> agriculture/farming/fishing <input type="checkbox"/> chemicals and plastics <input type="checkbox"/> domestic work <input type="checkbox"/> care work <input type="checkbox"/> construction <input type="checkbox"/> education <input type="checkbox"/> electronics and electrical equipment <input type="checkbox"/> financial or insurance activities <input type="checkbox"/> food and beverage <input type="checkbox"/> forestry/wood/paper products <input type="checkbox"/> information and communication 	<ul style="list-style-type: none"> <input type="checkbox"/> hotel/tourism <input type="checkbox"/> metal fabrication and machinery <input type="checkbox"/> mining and refining <input type="checkbox"/> oil and gas <input type="checkbox"/> real estate activities <input type="checkbox"/> restaurants <input type="checkbox"/> retail/sales <input type="checkbox"/> textile, leather and apparel <input type="checkbox"/> transportation and transportation equipment <input type="checkbox"/> Other, please specify
--	---

10. Have you experienced a significant decrease of demand for workers in any specific sector after the beginning of the crisis? If so please name the most important sectors:

.....

11. Have you experienced a significant increase of demand for workers in any specific sector after the beginning of the crisis? If so please name the most important sectors:

key sectors with decreased demand for workers

.....

key sectors with increased demand for workers

.....

12. Is your agency currently in operation?

Fully Partially (reduced operation and/or staff) Not operating

13. Please specify which operations/business processes have been stopped or reduced:

.....

14. Are you aware if any of the workers you recruited or were in the process of recruiting have been infected by COVID-19?

Yes No

15. If yes, how did your agency respond?

.....

16. Number of workers that you had identified, and for whom you had initiated a recruitment process, who could NOT be deployed since the new coronavirus outbreak.

.....

17. Which are the main challenges your agency currently faces resulting from COVID-19?

Cash flow to maintain staff and business operations is inadequate.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Agency employees/staff are absent from work due to illness or government orders.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Employers' demand for workers has reduced/stopped	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Labour migration is reduced/stopped due to mobility restrictions.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Official migration/recruitment procedures have become too difficult to comply with.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Governments in countries of destination have stopped the issuing of relevant paperwork, e.g. work permits	<input type="checkbox"/> Yes	<input type="checkbox"/> No

18. Others, please specify.

.....

19. Have you taken any short-term measures to adapt to the new COVID-19 reality?

Yes No

20. If yes, which of the following apply:

Reduced staff to decrease costs for the agency. Yes No

Modified recruitment costs for workers. Yes No

Modified recruitment costs for employers. Yes No

Diversified the recruitment offer (changed country of destination, or moved to internal market). Yes No

Expanded the recruitment-related services provided to employers. Yes No

Expanded/changed the recruitment-related services provided to workers (e.g. repatriation services, specific training, etc). Yes No

Provided detailed information on COVID -19 to workers. Yes No

Obtained government support/subsidies to face economic challenges. Yes No

Deferred deployment of migrant workers to a later date when travel restrictions are lifted. Yes No

21. Others, please specify

.....

22. If travel restrictions/confinement measures are lifted within the coming two months in all countries where your business operates, how long do you think it will take your agency to fully restore normal operations?

- | | |
|--|---|
| <input type="checkbox"/> Less than 1 month | <input type="checkbox"/> I am considering closing temporarily or permanently |
| <input type="checkbox"/> Between 1 and 3 months | <input type="checkbox"/> I do not know as the situation is too volatile to assess |
| <input type="checkbox"/> Between 3 months and 6 months | |
| <input type="checkbox"/> over 6 months | |

23. If your agency is part of an association of recruitment agencies, has the association been communicating on this issue or issuing guidance?

Yes No

24. If so, what have they communicated and do you find it useful?

- Yes, they have provided useful information and guidance.
- Yes, they have provided information and guidance but I did not find it useful.
- No, they have not communicated on this.
- I do not know.

25. Do you consider the measures taken by the government to address the COVID-19 crisis as appropriate/inclusive of PRAs?

- Yes
- No
- Partially appropriate

26. If yes, what are the most effective measures taken so far taken by the government to help your business cope?

.....

27. If not, what do you think could be improved about these government measures?

.....

28. Do you have any best practice examples of how your agency is responding to COVID-19 - both to protect your current employees and the workers you have recruited thus far? Please describe or share a link of your work

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