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➤ Recruitment agency business practices and role of intermediaries in the foreign employment industry in Pakistan





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Recruitment agency business practices and role of intermediaries in the foreign employment industry in Pakistan

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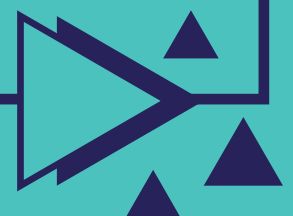
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▶ Executive summary

Introduction

Pakistan has well-established institutional structures, rules and regulations and formal processes for sending workers for foreign employment through licensed recruitment agencies and overseas employment promoters (OEPs). Despite these formal arrangements, however, the role of illegal and irregular intermediaries in recruitment has increased over time. There is a dearth of information on the profiles of these intermediaries and on their practices in the recruitment industry. This pilot study, carried out in the two high-migration districts of Gujranwala and Sialkot in Punjab province, employs a combination of quantitative and qualitative methodologies for the profiling of recruitment intermediaries, understanding their business practices and developing a set of recommendations for effective management. The study is not representative for any geographical or administrative level.

The primary data presented in this report comes from in-depth interviews with OEPs and relevant stakeholders, structured interviews with intermediaries, focus group discussions (FGDs) with prospective and returned migrants as well as discussions with their families, and case studies of recruitment intermediaries and OEPs, carried out in June-July, 2019.

Note on COVID-19 (June 2020).

This report was conceptualized, researched (including quantitative and qualitative data collection) and finalized by the ILO REFRAME Project prior to the COVID-19 pandemic. The pandemic's impact on the recruitment of migrant workers from Pakistan is being monitored by the ILO - including through the Socio-Economic Impact Assessment and Response Plan for COVID-19: Pakistan. The findings and recommendations of this report remain relevant in the immediate and long-term response to COVID-19.

Major findings

Evolution of the recruitment industry for foreign employment in Pakistan

In the 1970s, when labour migration to Gulf Corporation Council (GCC) countries took off on a large scale, three organizations - the National Manpower Council, the Directorate of Seamen's Welfare, and the Protectorate of Emigrants - were amalgamated into the Bureau of Emigration and Overseas Employment (BE&OE), as the regulatory body to control, facilitate and monitor the overseas labour emigration process. The emigration process is managed under the Emigration Ordinance and Rules 1979. The Overseas Employment Corporation (OEC) was established in 1976, as a public sector recruiting agency to deal with the demand from overseas governments. The Overseas Pakistanis Foundation (OPF) was set up in 1979, with a mandate to manage the social welfare of emigrants and their families in Pakistan. Community welfare attachés (CWAs) placed in Pakistani Missions abroad are also an integral part of the institutions, aimed at strengthening the labour emigration system. All these institutions, BE&OE, OPF, OEC and CWAs are supervised by the Ministry of Overseas Pakistanis and Human Resource Development (MOP&HRD), established in 2013 through a merger of two separate ministries (the Ministry of Human Resource Development and the Ministry of Overseas Pakistanis).

The recruitment process in Pakistan is handled through seven Protectorate of Emigrants Offices: in Lahore, Rawalpindi and Multan in Punjab; Karachi in Sindh; Peshawar and Malakand in Khyber Pakhtunkhwa; and Quetta in Baluchistan. These offices are supervised by the BE&OE. There are two legal channels for the procurement of overseas employment; (i) through an

overseas employment promoter (OEP) or OEC; or (ii) by “direct” employment, in which an individual is allowed to procure foreign employment through his or her own efforts or through a relative or friend working abroad. The BE&OE issues licenses to private OEPs and regulates and monitors the direct employment as well.

The functioning of the recruitment industry in Pakistan is quite complex. The dichotomy of the legal channels of recruitment – “direct” or “through an OEP” – as reported in the registration data of BE&OE, may not reflect the actual migration trends, particularly in the case of Saudi Arabia which has a quite complicated recruitment process usually completed through the assistance of OEPs. The “direct visa” is a common feature in GCC countries, except for Saudi Arabia. The role of Pakistani migrants working in these countries is important in securing job offers for other Pakistani workers.

A considerable proportion of OEPs have limited their role to “processing” only, suggesting that they do not maintain contacts with foreign agents or employers to secure job offers for Pakistani workers, and they are not themselves selecting prospective migrants. Rather, they merely facilitate prospective migrant workers in “processing” their visa and other foreign employment documents such as a medical test certificate or insurance, and pre-departure briefing, among others. This feature of recruitment in Pakistan has resulted in a growing “disconnect” between OEPs and prospective migrant workers, who are usually now approached by intermediaries.

The recruitment industry in Pakistan seems focus mainly on the emigration of unskilled and semi-skilled workers, the majority of whom have no or little education. Access to the information system on foreign job opportunities and legal channels of recruitment has been reported as quite weak, especially for those prospective migrant workers with a low level of education and skills, who primarily rely on friends, relatives or local intermediaries to obtain this information. These weaknesses

have led to an increased role for and importance of unlicensed intermediaries.

A number of factors account for the growing need for recruitment intermediaries, including: the unwillingness of OEPs to visit and mobilize prospective migrant workers in rural areas and small towns; lack of access to the information on foreign jobs disseminated by the relevant authorities and foreign employers; a trust deficit toward OEPs, who are unknown to prospective migrant workers; and familiarity with and trust in local intermediaries.

Profile and recruitment business practices of intermediaries

The majority of intermediaries are at prime working age. About one-tenth of them are illiterate, while 40 per cent have completed between five and eight years of schooling. More than a quarter have completed ten years of education, and the remaining one-fifth have attained more than ten years. With this level of qualification they are likely to have contacts with low-skilled or semi-skilled prospective migrant workers.

Seventy per cent of the intermediaries surveyed are returned migrants, with experience of working abroad. Around half of them are engaged in farming and small enterprise (mainly shopkeeping). Interestingly, one-fifth of them are either travel agents or property dealers. More than half of them have been active in the recruitment industry for the last five years, while more than one-fifth reported having ten years of experience.

The findings of the study suggest that the majority of intermediaries are likely to be associated with one OEP. Two-thirds of them have also been working with overseas employers or friends and relatives, and secure foreign job offers directly. An overwhelming majority of the intermediaries (89 per cent) are carrying out their recruitment business as a part-time activity, without any office. The geographical coverage and scope of their recruitment

1 The term “disconnect” here means that OEPs are not directly accessible to prospective migrant workers, particularly in rural areas

activity is not limited to the village and/or surrounding areas (where intermediaries reside); rather, the scope of their operations extends to tehsil or district level. Most of them are working independently and have no collaboration with other stakeholders. In order to find dependable and trustworthy workers, they tend to use their village-level contacts including local elders and their regular clients.

The key services of intermediaries offered to OEPs include identifying suitable workers, supporting the prospective migrants in obtaining the required documents, and completing pre-departure processes. GCC countries, particularly Dubai (UAE), Muscat (Oman) and Saudi Arabia are the main destination countries. The intermediaries mostly target low- and semi-skilled workers who are likely to secure jobs as drivers, electricians, plumbers and masons.

Knowledge and use of existing institutional services by intermediaries

More than two-thirds of the intermediaries surveyed are not aware of the Emigration Ordinance and Rules 1979, and of those who know, their main sources of information are OEPs, media and friends or relatives. A considerable proportion of intermediaries have visited the Protectorate of Emigrants Office, Lahore during the last five years to seek information about their assignments, processing and visas, and about 45.3 per cent of them were able to receive the required information.

Placement of workers abroad by intermediaries, and service charges

Although a sizeable proportion of intermediaries have been operating their recruitment business as a part-time activity which they manage single-handed, they have demonstrated capacity to place workers

abroad, with 90 per cent of them sending 20 or fewer Pakistani workers abroad during the previous year. Almost all confidently affirm their capability to send more workers abroad, if they are regularized.

Two-thirds of the intermediaries surveyed reported charging more than PKR 10,000 (US\$61) to the OEP per migrant.² Around 15 per cent of intermediaries reported charging PKR \geq 50,000 (US\$303) per migrant to the foreign employer. For the migrant workers, 40 per cent of the intermediaries remarked that on average they charge PKR \geq 20,000 (USD\$121) in return of their services.

Perception of stakeholders about the role of intermediaries

The OEPs are seen as not very effective in generating foreign job offers for Pakistani workers, and a sizable proportion of OEPs are engaged in “processing the documents” only. Prospective migrant workers generally lack trust in OEPs, who are not accessible to them. Over time, the OEPs have not been able to maintain databases and are losing their share in the Pakistani recruitment industry. A representative of the Pakistan Workers Federation believes that no one is taking the responsibility for middlemen (intermediaries) engaged in the recruitment industry, and thus the protection of migrants’ rights through trade unions should be encouraged.

Pakistan is one of the major labour-sending countries in South Asia, and the demand for overseas jobs is very high, but the flow of information on foreign job opportunities and regular channels of recruitment is seen as weak. Intermediaries are not part of the formal legal recruitment system of the country, and informally are associated with more than one OEP, making it quite difficult to trace them when handling complaints.

Some travel agents and trade testing and training centres (to test the skill level of workers) have also been illegally involved in the process of recruitment. The stakeholders also view “direct visa” as a source of informal recruitment activities, which encourages the involvement of intermediaries.

² As per UN exchange rate 1 US\$=PKR164.972 in April 2020.

Regional experiences in regularizing intermediaries

It is difficult to find good practices in managing recruitment intermediaries in Pakistan or the wider region. However, some good efforts have been initiated to reduce malpractices and exploitation by illegal sub-agents. Nepal and Sri Lanka have tried to register intermediaries and sub-agents, but the results are not encouraging; the number of illegal sub-agents in Sri Lanka is much higher than the number of sub-agents registered, which leads to continued recruitment practices by illegal intermediaries. In addition, the empirical evidence intended to guide the regulatory efforts was found inadequate, which also impeded the registration of intermediaries.

The recent emigration of Pakistani workers to the Republic of Korea seems to have been a good practice. It was completed by the Overseas Employment Corporation without engagement of intermediaries. Although this was small-scale emigration, the experience suggests that a sound memorandum of understanding (MoU) between two parties or governments with a good implementation strategy can restrict irregular activities in the recruitment business.

Recommendations

There is no easy or single solution for improving the governance of recruitment in Pakistan, which is increasingly relying on a variety of informal relationships that evade the regulations. Intermediaries do facilitate meeting the demand for foreign workers, but their business practices have weakened the regular formal recruitment industry. The aim is to ensure regular, safe and fair recruitment in line with international labour standards, particularly those in Convention No. 181 and the GPOG. Some recommendations for the management of irregular recruitment through intermediaries follow.

1. The outreach of OEPs needs to be markedly enhanced, with the aim of connecting them with prospective migrants. In this regard, three steps may be considered. First, the performance of OEPs could be regularly evaluated. The BE&OE presently evaluates their performance on the basis of two indicators: the total number of emigrants sent abroad, and the number of complaints received against the OEP. The evaluation criteria should also assess how an OEP approaches prospective emigrants. Second, the rules allow an OEP to open two sub-offices. OEPs could be encouraged to open their sub-offices in small towns to increase their presence in wider areas.³ If an OEP can manage more than two offices, permission for such opening may be granted. Third, the capacity of OEPs in carrying out their recruitment business needs to be monitored regularly. And the capacity of OEPs to understand the value of and compliance with fair recruitment principles as a business case, needs to be enhanced.
2. The BE&OE has started an awareness campaign about overseas employment opportunities and recruitment processes through print, electronic and social media. The POEPA and other relevant stakeholders need to work with the BE&OE to enhance public awareness about (i) overseas job opportunities; (ii) legal regular channels of recruitment; and (iii) regulations on fees and other costs. The FGD participants even suggested that an immunization-type campaign could be launched to create awareness about overseas employment. Provincial and local governments, and workers' unions, could also be engaged in the awareness campaign on overseas migration. The BE&OE could consider the introduction of a pre-employment stage⁴ by engaging Migrant Resource Centres (MRCs).

³ At present, permission for opening sub-offices is given in deserving cases only, based on the performance and general reputation of an OEP.

⁴ The term "pre-employment" refers to the stage when a prospective migrant is considering the option of finding a job abroad but has not made a final decision. This stage requires a set of awareness-raising and support interventions, including skills in high demand and legal channels of recruitment, particularly in migrant-dense communities.

3. A single website, and a single window, could be introduced jointly by the PEOPA and BE&OE so that potential migrants could go to one place virtually or physically and find all the information about overseas employment there, including medical screening.

4. There is a need to revisit the recruitment process for employment visas directly arranged by prospective migrants. Many Pakistanis working in GCC countries, particularly in Dubai, play a key role in sending visas directly to prospective migrants through their contacts with foreign employers. The processing of a “direct visa” should be made simple and manageable by an intending migrant.

5. The present report reaffirms the vital role that informal channels such as friends and relatives play in the growth and expansion of overseas migration. Better documentation of the entire chain, including the amounts paid for obtaining an employment visa from a Gulf kafeel, can further enhance our understanding of the details of the actual process that enables a move.

6. Trade test centres and travel agents are not eligible to engage in the recruitment business, and some have already been blacklisted. The BE&OE has created a new policy under which only those trade test centres which conduct the trade test for foreign employment and which comply with the code of conduct and standards set by the BE&OE will be allowed. This policy should be strictly implemented.

7. The procedure for obtaining a license for recruitment could be simplified, and the information should be clearly available, to facilitate individuals interested in the recruitment business, including intermediaries, in obtaining a license.⁵

8. More bilateral agreements could be signed and implemented to curb irregular emigration through intermediaries. This could be facilitated through the OEC, which recently managed the recruitment of workers for the Republic of Korea.

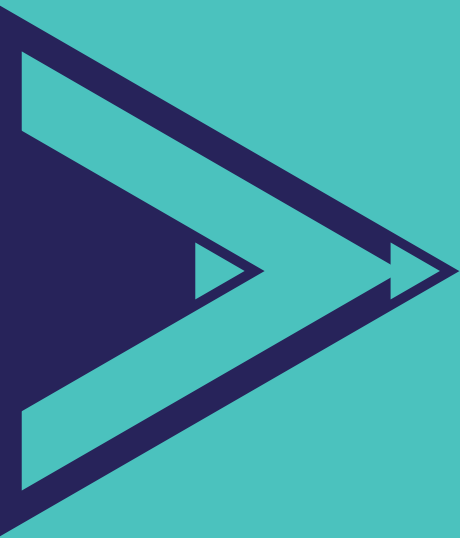
9. Although neither Nepal nor Sri Lanka have been successful in registering sub-agents during the past five to six years, the formal attachment of intermediaries to OEPs in Pakistan could be tested in a few high-migration districts, as a pilot. Both the intermediaries and the relevant OEP would be responsible for any malpractice and could be penalized and sanctioned. This suggestion has not been supported by the regulators and OEPs, but it received the support of intermediaries and several stakeholders. After such an attachment, all transactions should be made through banks and in the name of the OEP who will make the payment to the attached intermediaries. There is no doubt a possibility that the payments made to intermediaries might be charged back to the worker by the OEP. However, an effective monitoring system and awareness among prospective migrants of payment procedures would check such malpractices.

10. Pakistan needs to encourage and incentivize the use of the “employer pays” model to exempt migrants from paying the visa fee and transport costs.

⁵ The procedure for obtaining an OEP license is clearly described on the BE&OE website.

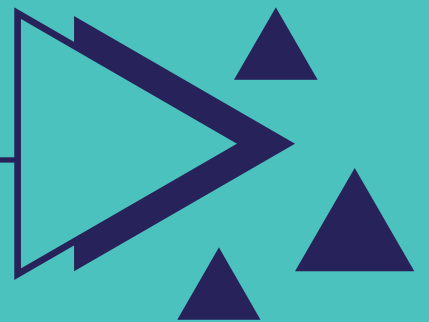
► Acronyms

AJK	Azad Jammu and Kashmir
BE&OE	Bureau of Emigration and Overseas Employment
BMET	Bureau of Manpower, Employment and Training
CWA	Community Welfare Attache
FGD	Focus group discussion
FIA	Federal Investigation Agency
GCC	Gulf Corporation Council
GoP	Government of Pakistan
GPOG	General Principles and Operational Guidelines for Fair Recruitment (ILO)
ICMPD	International Centre for Migration Policy Development
IHRB	Institute for Human Rights and Business
ILO	International Labour Organization
IOM	International Organization for Migration
KP	Khyber Pakhtunkhwa
KSA	Kingdom of Saudi Arabia
LBO	Lanka Business Online
MOP&HRD	Ministry of Overseas Pakistanis and Human Resource Development
MRC	Migrant Resource Centre
NAVTTTC	National Vocational and Technical Training Commission
OEC	Overseas Employment Corporation
OEP	Overseas Employment Promoter
OPF	Overseas Pakistanis Foundation
PKR	Pakistani rupee
POE	Protectorate of Emigrants Office
POEA	Philippines Overseas Employment Administration
POEPA	Pakistan Overseas Employment Promoters' Association
SLBFE	Sri Lanka Bureau of Foreign Employment
UN-ESCAP	United Nations Economic and Social Commission for Asia and the Pacific



1.

Introduction,
scope and
objectives



▶ 1.1 Introduction

In Pakistan, formal recruitment processes are well-established. Pakistanis can legally pursue overseas employment through two channels, either through a public or private overseas employment promoter or through “direct” employment, by which an individual makes an employment arrangement through their own efforts or through a friend or relative working abroad. In the private sector, recruitment is primarily conducted through licensed overseas employment promoters (OEPs). At present, there are approximately two thousand active licensed OEPs in the country, associated with seven Protector of Emigrants Offices. The Overseas Employment Corporation (OEC) is the only public agency in Pakistan that recruits workers for overseas employment, although its role as a recruiting agency has been minimal. From 1971 to 2015, around 58 per cent of migrant workers went abroad with the help of a private promoter, while 40 per cent went through the direct channel. The remaining 2 per cent used the services of the OEC (Pakistan 2015). However, in 2017 and 2018, direct employment was the favoured mode of employment; this trend was reversed again in 2019, when about 59 per cent of migrant workers registered through OEPs (Pakistan 2019).

The private recruitment industry in Pakistan has grown dramatically over the years and comprises private recruitment agencies and intermediaries, operating in different regions of the country. As the use of these intermediaries is not officially permitted, it is extremely difficult to make any reliable estimate of the number operating in Pakistan. However, a growing body of literature in Pakistan as well as other countries of the region has identified the role of intermediaries in recruitment processes. Siddiqui and Mahmood (2015),

for example, show that more than 50 per cent of international migrants from Bangladesh identified brokers or dalal as the most important service providers. In Pakistan, both the friends/relatives and brokers (intermediaries) connect prospective migrants with recruitment agencies in the country or directly with overseas employers (Arif 2009, 2009a). A recent study in Pakistan by Amjad, Arif and Iqbal (2017) shows that there are three major sources through which prospective migrants obtain information about the opportunities of overseas employment: friends and relatives (57 per cent); individual recruiters and brokers (37 per cent); and manpower agencies (5 per cent). It is likely that the role of intermediaries in Pakistan has reduced overtime to some extent because of the flow of information about overseas jobs, and awareness regarding the recruitment process; for instance, the foreign jobs portal of the Bureau of Emigration and Overseas Employment (BE&OE) provides information on verified foreign jobs.

However, it appears from the findings of this study and the observations of stakeholders and media that recruitment intermediaries or sub-agents still play major role in Pakistan in the supply chain of the recruitment process for foreign employment. For a considerable proportion of people in rural areas, these intermediaries/sub-agents are the first point of contact or source of information for overseas employment. Secondly, they connect the prospective migrant worker with an OEP in Pakistan or with an overseas employer directly, for a fee that is typically charged to the worker but sometimes to employers, or to both. There is a dearth of information on the profiling and functioning of intermediaries in the recruitment industry in Pakistan.

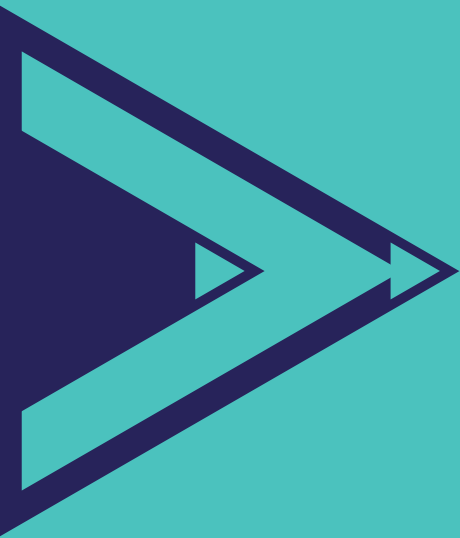
▶ 1.2 Scope and objectives

This is a pilot study analysing the business practices of Pakistani recruitment agencies and the role of intermediaries in foreign employment. In particular, the study identifies the evolution of the recruitment system and the business practices of recruitment intermediaries, as well as their profiles and

relationships with both prospective migrants and licensed recruiting agents. The study also provides recommendations on the most effective means of addressing the impacts of recruitment intermediaries on the outcomes for migrant workers through legislative and non-legislative measures.

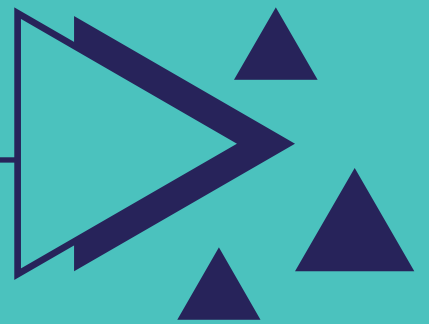
▶ 1.3 Research questions

- ▶ How has the formal recruitment system for overseas employment evolved over time in Pakistan and what are the main features of this system?
- ▶ What channels or modes of recruitment do Pakistani workers use to find a job in overseas labour markets?
- ▶ Why and how have recruitment intermediaries evolved in Pakistan?
- ▶ Who these intermediaries are or what is their profile?
- ▶ How are these intermediaries connected with OEPs in Pakistan or overseas employers?
- ▶ What services do intermediaries provide to prospective migrants?
- ▶ What are the effective ways of managing intermediaries?
- ▶ Should recruiting intermediaries be regularized or their role be abolished? How?



2.

Review
of the
literature



Recruitment is one of the major functions of the labour market, whereby employers seek workers and workers seek jobs (ILO 2015). Recruitment agents are individuals or organizations that incorporate themselves between workers and firms to facilitate, inform or regulate how workers are matched to firms. The service can be provided by public or private recruitment agencies (Eichhorst et al. 2013). The recruitment agents generally operate in one or more three ways: (i) finding specific skills in specific sectors; (ii) providing workers of all kinds in a specific locality; or (iii) specialist headhunting or search agencies (Wolfe and Hartley 2005).

The foreign recruitment and hiring process, which involves individuals and institutions

operating in two countries, can be divided into the following stages: (a) an employer in a destination country decides to hire foreign workers; (b) the employer secures appropriate authority to hire from the host government; (c) the employer seeks help from local recruiters; (d) employers or local recruiters being contacted then get in touch with recruiters located in workers' country of origin; and (e) recruiters find workers for employment in the destination country (ILO 2016). Similarly, the hiring process of migrant workers in the country of origin involves several steps, from finding or selection of workers, to visa clearance and deployment of foreign workers (figure 2.1).

► Figure 2.1. Sending country: Hiring process for migrant workers



Source: ILO 2015.

The Middle East is an attractive market for Asian migrant workers. Asian countries including Bangladesh, India, Pakistan, Philippines and Sri Lanka have developed institutions to regulate the hiring or recruitment of migrant workers and their placement abroad. These institutes, for example, include the Bureau of Manpower, Employment and Training (BMET),

Bangladesh; the Philippines Overseas Employment Administration (POEA); Sri Lanka Bureau of Foreign Employment (SLBFE); and the Bureau of Emigration and Overseas Employment (BE&OE), Pakistan (UN-ESCAP 2012). While recruitment business practices vary across countries, the most common scenario is the involvement of private recruitment agencies in the country

of origin, such as OEPs in Pakistan. These agencies or promoters receive job requests from overseas employers or agencies, select prospective migrant workers, process the necessary emigration documentation and prepares workers for departure. The agencies are in general formal and hold a license to recruit workers (ILO 2016).

However, despite the existence of strong institutions, as outlined above, as well as rules and regulations regarding the recruitment processes, the role and importance of intermediaries working illegally has increased over time (IHRB 2018). These intermediaries play a significant role in the foreign recruitment of semi-skilled and low-skilled workers, particularly from rural areas. This role has not been extensively researched except for a few studies primarily carried out by international organizations such as the International Labour Organization (ILO) and the International Organization for Migration (IOM).

The literature identifies some factors or reasons responsible for the entry of unlicensed intermediaries into the international recruitment industry. Morgan and Nolan (2011), for example, show that when recruitment agencies are unable to manage in the given time a sufficient number of workers required by their foreign employers, some may turn to intermediaries for the supply of workers. Generally, agencies pay them a substantial commission to secure workers. Another important reason identified in many countries for the entry of recruitment intermediaries is the absence of private employment agencies at the village/rural level. The task of mobilizing potential migrant workers and introducing them to the local agency is left to intermediaries (ILO 2016).

A similar factor is that private recruitment agencies in South Asian and South-East Asian countries largely do not operate networks of branch offices in small towns or rural areas, with many maintaining offices only in large cities. In Pakistan, OEPs are allowed to maintain two branch offices. However, a common practice of private agencies is the utilization of the services of intermediaries to find and recruit workers because it is substantially cheaper than the costs associated with opening and maintaining branch offices (IOM 2015).

Recruitment intermediaries are mediators and facilitators bringing recruitment agencies and prospective migrant workers together. Recruitment intermediaries are sometimes friends and family members or known community members who fulfil different functions in the recruitment process (ILO 2016). In Bangladesh, for example, recruitment intermediaries are commonly referred to as dalal (brokers) and it is estimated there are more than 10,000 dalal in different migrant-prone villages and districts (IOM 2018). Moreover, in most cases these unlicensed sub-agents are a major cause of abuse and exploitation in the recruitment process in South Asian countries. They work at community level with no formal affiliation to licensed recruitment agencies, often commit malpractices and violations.

Recruitment intermediaries conduct a variety of tasks in order to facilitate international recruitment, such as finding suitable candidates for overseas employment, helping in the preparation of immigration documents, facilitating in medical screening and pre-departure orientation (IOM 2015). They charge fees to migrants and also to overseas employers if they work for them directly (IHRB 2018). However, several reports have also noted that migrants sometimes pay fees to a private agency working in a destination country. For instance, a recent report revealed that nearly all one thousand construction workers based in Qatar interviewed by their researchers reported that they had paid recruitment fees of between US\$726 and 3,651, as well as paying for visas, work permits and deposits to their sponsors or employers upon arrival in Qatar (IOM 2015).

In order to facilitate migration, private recruitment agents and intermediaries work with a multitude of interrelated businesses such as medical centres, training centres, travel agents, insurance companies and accommodation businesses (Rahman 2011). The intermediaries operating in the industry benefit from the ignorance of prospective migrants, whom they usually overcharge and do not inform of any grievance redress remedy available to them – probably due to lack of their own knowledge or out of the fear that the migrants may lodge a complaint against them. There have been

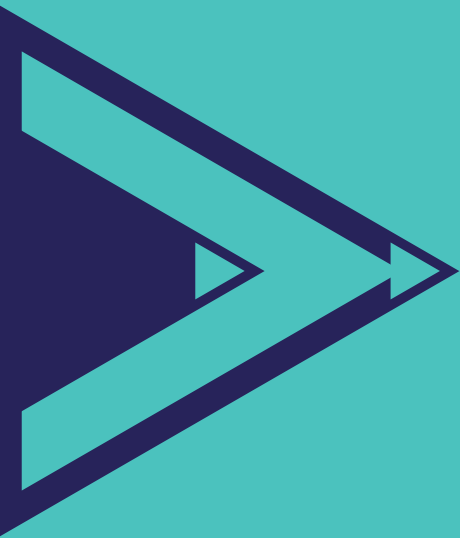
many reported incidents of fraud through these intermediaries. It sometimes happens that an intermediary takes money from a prospective migrant and then disappears. The BE&OE refers such complaints to the Federal Investigation Agency (FIA) for prosecution (ILO 2016a). The FIA has also an independent jurisdiction to proceed against an intermediary. The BE&OE has developed a mechanism to address complaints launched by overseas Pakistanis; a complaint cell is functioning in the BE&OE. The Complaint Cell of the Overseas Pakistanis Foundation (OPF), established in June 2001, also receives complaints through: (i) the Prime Minister's Office; (ii) the Ministry of Overseas Pakistanis and Human Resource Development (MOP&HRD); and (iii) Pakistan's

Missions abroad. It also receives complaints directly from the OEPs through post, email, fax, online complaints and personal visits. For access to justice, a Grievance Cell for overseas Pakistanis has been established in the Supreme Court of Pakistan.⁶

Finally, in order to reduce malpractices and exploitation by illegal intermediaries, emphasis is being given on their registration in different countries. Some nations have taken steps for the registration of these illegal sub-agents. For example, the Governments of Nepal and Sri Lanka, having realized that the illegal sub-agents should be registered, have made various efforts in this field, but were unable to achieve the desired outcome (UN-ESCAP 2012).⁷

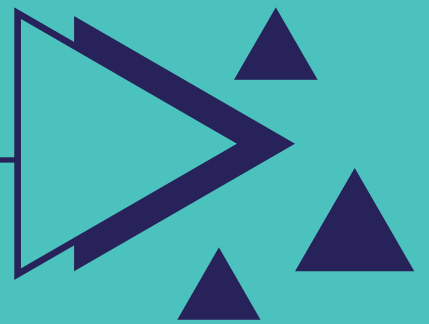
6 <https://www.opf.org.pk>

7 For more detail, see section 7 of this report.



3.

Conceptual
framework and
methodology



▶ 3.1 Conceptual framework

Since the 1970s, the numbers of legal private recruitment agencies that facilitate the international migration process have multiplied in Asia as well as Pakistan (ILO 2016a). These agencies provide a wide range of services, from matching the demand and supply of labour to providing other services, such as processing all documents and arranging medical screening, pre-departure orientation, accommodation and skills training, assessment and certification. Despite the existence of large numbers of recruiting agencies, the role and importance of unlicensed intermediaries in the recruitment of workers has increased over time for several reasons. The demand for overseas employment, particularly among young workers, is very high because of the high level of unemployment among youth. In Pakistan, for example, approximately 11 per cent of youth aged 20 to 24 years were unemployed in 2018; and this level is double of the overall unemployment level in Pakistan (Pakistan 2018). Overseas migration and associated inflows of remittances have a demonstrated effect on the young population for seeking a job and working abroad. This effect is particularly high in high-migration districts.

There is a dearth of information on overseas job opportunities, particularly in rural areas. The information, even through newspapers, rarely reaches prospective migrants in rural areas, who then rely on intermediaries not only for job opportunities but also for the job offer and its processing.⁸ It is important to note that OEPs in Pakistan have not developed a mechanism to approach intending migrants for finding candidates who meet the requirements of their foreign employers. It has given a room to intermediaries to enter in the foreign employment industry. At present, in many cases, OEPs depend on intermediaries to meet their demand of foreign employers. This phenomenon is termed in this report as

a disconnect between recruitment agencies (OEPs) and potential migrants.

A study by the IOM (2015) found that private recruitment agencies do not open local or regional branch offices because utilizing the services of intermediaries to find and recruit workers is substantially cheaper than the costs associated with opening and maintaining such offices. In Pakistan, the permission of getting a visa “directly” from an overseas employer has opened opportunities for intermediaries to assist the would-be emigrants in processing his or her case. Some active return migrants, having overseas employment experience and contacts with foreign employers, appear to be the key players for making an informal entry into the recruitment industry.

While licensed private recruitment agencies working in countries of origin are formal and subject to both legal and industry standards, intermediaries are unregistered and with limited accountability. This informality of the intermediaries leads to exploitation, abusive practices and high financial cost to the worker. It has also been argued that intermediaries enable private agencies “to largely avoid having contacts with migrant workers, to avoid blame for high recruitment fees, and to prevent complaints being lodged against them” (IOM 2015, 6).

The role of intermediaries in the foreign employment industry is examined in this study in line with the international labour standards, particularly the ILO Private Employment Agencies Convention, 1997 (No. 181) and the General Principles and Operational Guidelines (GPOG) for fair recruitment. These principles and guidelines are intended to cover the recruitment of all workers, including overseas migrant workers, whether directly by employers or through intermediaries. The international labour standards aim to: (i) help prevent human

⁸ To address this challenge, the BE&OE has taken several steps such as uploading of verified foreign jobs on its website, crackdowns against illegal or fake advertisements in collaboration with newspaper managements, the Pakistan Telecommunication Authority (PTA) and FIA, and awareness campaigns through mobile companies, focusing on high emigration districts.

trafficking and forced labour; (ii) protect the rights of workers, including migrant workers, from abusive and fraudulent practices during the recruitment process (including pre-selection, selection, transportation,

placement and possibility to return); and (iii) reduce the cost of labour migration and enhance development outcomes for migrant workers and their families, as well as for countries of origin and destination.

▶ 3.2 Methodology

This pilot study was carried out in Sialkot and Gujranwala, which were selected as being high-migration districts in province Punjab of Pakistan. These districts fall under the jurisdiction of Protectorate of Emigrants Office, Lahore. A combination of quantitative and qualitative research methods was employed for data collection (table 3.1). For the present study, a recruitment intermediary is a person engaged in the recruitment of Pakistani workers for overseas employment, without holding a license from the concerned authority, BE&OE. The person may be associated with licensed recruiting agencies (or overseas employment promoters) or working independently to meet the demands of foreign employers. In exchange for their services, intermediaries either receive money as commission by OEPs or charge service fees to prospective migrants; sometimes they charge fee and commission to both.

3.2.1 Selection of OEPs

Using the list of OEPs operating in these districts, 20 were formally interviewed (ten in each district) to obtain the addresses and contact details of persons who work for them as mediators and facilitators (intermediaries) and connect them with prospective migrant workers. However, obtaining details of intermediaries through the OEPs interviewed under this study was unsuccessful, as they generally declined to accept that intermediaries play any role in their recruitment business. A meeting was also held with seven prominent OEPs in Gujranwala to understand their recruitment practices, particularly the role of intermediaries, but they did not provide any

information. Only a couple of OEPs in Sialkot district affirmed openly that a recruiting agency cannot recruit workers without the assistance of intermediaries, and they shared a list of five or six intermediaries with the survey team.

3.2.2 Selection of recruitment intermediaries

There was no choice but to take the long route of visiting different villages and developing contacts with key informants to get contact details of intermediaries operating in their areas. From the initial list of 25 to 30 intermediaries in each district, hardly five or six could be interviewed. Some denied that they were performing the role of an intermediary, while those who acknowledged their role in the recruitment business refused to be interviewed. The main reason for this was probably the raids against some intermediaries by the FIA. It took considerable time (more than four to five weeks) to find more intermediaries with the support of local notables and persuade them to be interviewed. Finally, the survey team was able to interview 53 intermediaries in June-July, 2019: 28 in Gujranwala district and 25 in Sialkot district (table 3.1). A structured questionnaire was used during interviews to obtain information about their socio-demographic profile, employment including overseas work experience, the services they provide to migrant workers, the fee they charge to workers and/or the fee they receive through OEPs, and the nature of their relations with licensed OEPs, prospective migrants, regulators and overseas employers.

3.2.3 Focus group discussions with relevant stakeholders

More than 35 prospective and returned migrant workers and their family members (who used the services of an intermediary for overseas employment) were interviewed through focus group discussions (FGDs). In total, five FGDs were conducted, with seven to eight participants in each FGD. The FGDs generated information on the nature of the participants' relationship with intermediaries, their knowledge about overseas jobs in demand, information and services received from intermediaries, knowledge and awareness of the presence of formal recruiting agents (OEPs), difficulties faced by the participants, and complaints made to the police or any other agency against intermediaries.

3.2.4 Case studies

Case studies of five intermediaries were developed through in-depth interviews, primarily to obtain qualitative information on how they entered the informal recruitment

process, how they operate and whether they would like their work be regularized. These five intermediaries were selected from amongst 53 intermediaries interviewed during this study.

3.2.5 In-depth interviews with stakeholders

More than 20 stakeholders were interviewed through 14 formal meetings to receive their opinions on the informal recruitment market, the functioning of intermediaries and regularization of their services. The stakeholders included officials working in the MOP&HRD, BE&OE, OEC, the Overseas Pakistanis Foundation (OPF) and the Pakistan Overseas Employment Promoters Association (POEPA), as well as civil society members, academia, workers' representatives, and international organizations such as the International Centre for Migration Policy Development (ICMPD). Finally, a review of the relevant literature was also carried out to identify good recruitment practices in other countries of the region. The review has strengthened the findings of this pilot study.

► Table 3.1. Number of participants surveyed or interviewed, by research method and district

Research method	Gujranwala	Sialkot	Total number
In-depth interview with OEPs	10	10	20
Interviews with intermediaries	28	25	53
Total of five focus group discussions with prospective and returned migrant workers and their family members	17	18	35
Case studies of OEPs	2	3	5
Case studies of intermediaries	2	3	5
In-depth interviews with stakeholders	14 meetings with more than 20 stakeholders in Islamabad, Lahore and Gujranwala		

3.2.6 Study limitations

This is a pilot study, based on interviews with only 53 recruitment intermediaries working in two high-migration districts of the country, Gujranwala and Sialkot, and supported by some qualitative work including in-depth interviews, case studies and interviews with stakeholders. The study is not representative at the national or provincial levels; it is not even representative at the level of the two districts covered in this study, for the following reasons:

a. The universe of the study (total number of active intermediaries) has not been documented, making it almost impossible to know the exact numbers, even in two migrant-dense districts of Punjab. The people engaged in the intermediation are not generally working full time; they are not a well-organized group. Their entry to/exit from this business is very common. More importantly, when contacted, they do not affirm their involvement in the recruitment business.

b. The recruitment process is officially managed by the BE&OE through its seven Protectorate of Emigrants Offices. The study area (Gujranwala and Sialkot) is under the Protectorate of Emigrants Office, Lahore, which also covers many other districts that are not the part of this study.

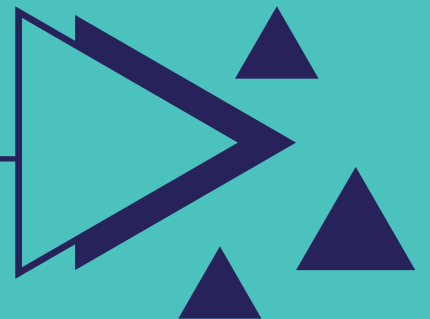
c. The study was carried out in Punjab only. Khyber Pakhtunkhwa (KP) has a larger share in annual emigration flows than its share in the total population of Pakistan, but no district from KP has been the part of this study.

However, despite these limitations, the in-depth analysis of the role of intermediaries has generated reliable and important information about their activities for managers and planners, and for future representative researches which may cover larger areas of the country.



4.

Evolution of
the recruitment
industry for foreign
employment in
Pakistan



Since the mid-1970s Pakistan has been a major country of origin of workers going abroad for temporary employment particularly to the Middle East labour market. During this long journey, Pakistan has developed a system to place its workforce in overseas labour markets. The legal journey is quite long as well, starting from the enactment of the 1922 Emigration Act and replacing it by the 1979 Emigration Ordinance. The Emigration Rules allow licensed private OEPs and agencies to recruit workers for overseas employment, and there is a provision for “direct employment” as well. This section covers the evolution and key features of the recruitment industry and analyses the need for recruitment intermediaries in Pakistan.

► 4.1 Institutional arrangements

After Independence in 1947, the Emigration Act 1922 enabled Pakistan to establish three organizations: (i) the National Manpower Council; (ii) the Directorate of Seamen’s Welfare; and (iii) the Protectorate of Emigrants. In the 1970s, with large-scale labour emigration to Gulf Corporation Council (GCC) countries, these three organizations were amalgamated into the Bureau of Emigration and Overseas Employment (BE&OE), as the regulatory body to control, facilitate and monitor the overseas emigration process. The BE&OE presently manages the placement of Pakistani workers in overseas labour markets, according to the Rules and Regulations of the 1979 Emigration Ordinance, through seven Protectorate of Emigrants Offices in Lahore, Rawalpindi and Multan in Punjab; Karachi in Sindh; Peshawar and Malakand in Khyber Pakhtunkhwa; and Quetta in Baluchistan. In 1976, the Overseas Employment Corporation (OEC) was established with the stated objective of providing “competent, reliable and cost-effective human resource from Pakistan for the international labour market”.⁹ It is a public sector recruiting agency and primarily deals with the demand from overseas governments.

The Overseas Pakistanis Foundation (OPF), was set up in 1979, with a mandate to

provide social welfare to the emigrants and their families in Pakistan and abroad by identifying problems and arranging their solutions. Community welfare attachés (CWAs) are also an integral part of the institutions, established to strengthen the labour migration system. Nineteen CWAs are currently placed in 15 countries including Bahrain, Greece, Italy, Kuwait, Malaysia, Norway, Oman, Qatar, Saudi Arabia, United Arab Emirates, United Kingdom and United States.

The Ministry of Overseas Pakistanis was established in 2008. In 2013, the Ministry of Overseas Pakistanis and Human Resource Development (MOP&HRD) was established through a merger of two former separate ministries (Ministry of Human Resource Development and Ministry of Overseas Pakistanis) and with a mandate to seek overseas employment opportunities for Pakistanis, take actions for the welfare of workers and their families (within Pakistan as well as abroad) and coordinate with provincial governments to align the national labour laws with the country’s international obligations on international labour standards. The Ministry presently supervises three agencies and departments with the aim of ensuring decent and respectful employment for migrants: BE&OE, OPF and OEC.

⁹ <https://oec.gov.pk/overview>.

▶ 4.2 Rules and regulations

The rules and regulations governing the emigration of Pakistani workers have been improved during the last four decades. For example, the 1922 Act was supplemented by the 1959 Emigration Rules. In the 1970s, as noted earlier, when labour migration to GCC countries took off on a large scale, three organizations were amalgamated into the BE&OE. The 1922 Act and 1959 Rules were replaced by the 1979 Emigration Ordinance and the Emigration Rules 1979, which determined the conditions under which labour emigration could take place to the satisfaction of potential employers as well as Pakistani workers. The Ordinance and the Rules

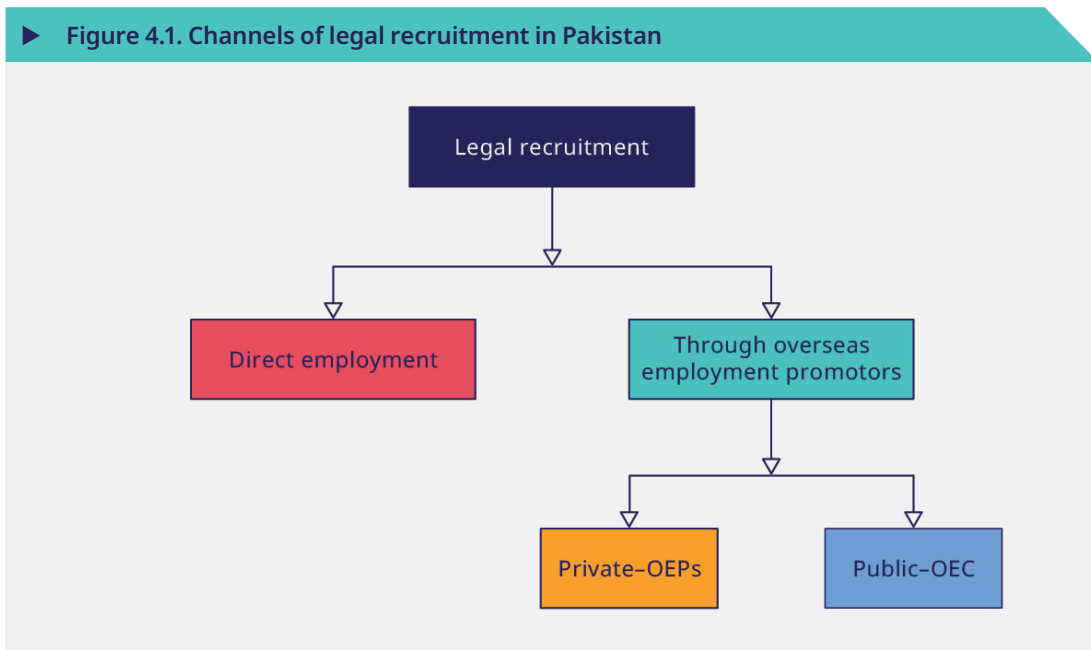
were revised in 2016 and 2018 respectively. The Emigration Rules 1979 assign responsibilities to three organizations: BE&OE, OPF and OEC. It is the responsibility of the BE&OE to control and regulate the emigration of workers and look after the interests and welfare of emigrants, while OPF is mandated to provide social welfare to the emigrants and their families in Pakistan and abroad. According to the Emigration Ordinance 1979, emigration from Pakistan to all countries of the world is lawful, if the migrant worker has a letter of appointment, work permit, employment visa and emigration visa.

▶ 4.3 Channels of recruitment

Pakistanis can secure overseas employment through two modalities; either through an overseas employment promoter/agency, which can be public (through OEC) or private, or by “direct employment” efforts, in which, individuals are allowed to secure foreign employment either through their own effort or by a relative or friend working abroad

(figure 4.1). The Emigration Ordinance and its accompanying Rules 1979 specify the functioning of overseas employment promoters (OEPs). The BE&OE issues licenses to private OEPs, and also regulates and monitors the emigration of those workers who make their own arrangements (direct employment).

▶ Figure 4.1. Channels of legal recruitment in Pakistan



In 2019, there were 1,917 active OEPs in the country, associated with seven Protectorate of Emigrants Offices (table 4.1). The promoters initiate the process of recruiting workers for foreign employment once they receive a request from a public or private employer abroad, which they are required to report to the Protector of Emigrants Office, which analyses the submitted demand. Once the Protector is satisfied that the OEP is in possession of a valid letter of demand for labour, has power of attorney to recruit persons, and the wages and other terms and conditions are satisfactory, the Protector grants permission to the promoter to proceed with the recruitment of workers. After receiving the Protector's permission,

the promoter advertises the foreign job in newspapers, along with required qualifications and experience. Prior to workers' departure from Pakistan, the OEP which processed their employment is required to provide complete information on the employment contract that details the terms and conditions of the employment. There is a standard contract for workers going abroad for employment, which is required to include provisions for healthcare and settlement of disputes in the case where the employer fails to comply with the obligations. To avoid disputes with an employer in the host country, migrant workers are to be briefed about all details of the contract/ agreement beforehand (ILO 2016).

► **Table 4.1. Number of active licensed overseas employment promoters (OEPs), by Protector of Emigrants Office, 2019**

Protectorate Offices	Active licensed OEPs
Rawalpindi	623
Lahore	324
Karachi	298
Malakand	226
Peshawar	243
Multan	202
Quetta	1
Total	1 917

Source: Pakistan 2019.

Direct recruitment is a network via which prospective migrant workers find employment abroad through their own efforts or with the assistance of a relative or friend already residing or employed abroad. Their Foreign Service Agreement, contract or offer letter must be signed by the employer and attested by the Pakistan Embassy in that country. A direct employment visa is generally processed by the worker him- or herself; however, in the case of Saudi Arabia, some workers avoid the complicated visa process and obtain the services of an OEP by paying the processing fee/service charges of 6,000 Pakistani rupees (PKR).

Figure 4.2 shows trends in the recruitment channels used between 2015 and 2018. Around 58 per cent of all migrant workers proceeded abroad through an OEP during 2015 and 2016, but the percentage of migrant workers seeking the OEP's support gradually dropped in 2017 and 2018 (approximately 40 per cent). A rising trend towards direct employment could be witnessed over that period: while in 2015 around 40 per cent of migrant workers procured foreign employment through their own efforts, or through relatives and friends abroad, this figure rose to around 60 per cent in 2018.

► **Figure 4.2. Placement of Pakistani workers abroad, by channel of recruitment (OEPs vs direct)**



Source: Pakistan 2019.

► 4.4 Key features of the recruitment industry in Pakistan

OEPs play a major role in the recruitment industry by securing a demand for Pakistani workers from overseas employers/firms, finding suitable persons and completing the whole process necessary to deploy the selected workers abroad in a timely way. It is justified to say that the recruitment industry in Pakistan is largely institutionalized and that business practices follow the procedures set in the Emigration Ordinance and Rules 1979. However, irregularities are not uncommon in terms of mismatch of

skills, violation of contract while abroad, and the high cost of emigration including visa, recruitment, travelling and medical costs.¹⁰ More importantly, the recruitment industry is characterized by the heavy involvement of unlicensed intermediaries.

The qualitative research undertaken for this study indicates that the functioning of the industry is quite complex. For example, under the kafala system of Saudi Arabia,¹¹ the demand document shows the name of an OEP, who completes the recruitment process.

¹⁰ This study has not explored the issue of the cost of migration. However, the intermediaries sampled were asked about the fee they charge to either the prospective migrant or the recruiting agency.

¹¹ The kafala system of Saudi Arabia requires all foreign workers to work under the sponsorship of a Saudi citizen or establishment. The sponsor is known as kafeel in Saudi Arabia, and is responsible for a foreign worker's legal status in the country. Foreign workers cannot leave Saudi Arabia without an exit permit. See: <https://www.arabianguilflife.com/what-is-kafala-sponsorship-system-in-saudi-arabia>.

Although direct visa processing from Saudi employers without the involvement of an OEP is also possible, visa processing at the Saudi Embassy or Consulate is complicated and requires the services of a trained person such as an OEP.

Sometimes, there is little to no role for the OEP in generating the demand, in case of direct efforts by the prospective migrants or friends/relatives working abroad. For example, the FGD participants in Daska tehsil of Sialkot district, said that around 100 men from their village are presently working in Saudi Arabia with the support of two villagers who have been working in Saudi Arabia for a long time. These two workers have contacts with an OEP in Rawalpindi, whose name appears in the visa/demand documents. The nephew of the OEP resides in the village and helps prospective migrants process their documents. However, the involvement of the OEP is limited to getting the visa endorsed on the passport of an emigrant through the Saudi Embassy or Consulate in Pakistan. Other terms and conditions with the employer are not handled by the OEP.

A “direct” visa is a common feature in GCC countries other than Saudi Arabia; a destination country allows its citizens to hire foreign workers “directly”. The direct visa is thus a part of the system of the destination country for hiring foreign workers. The role of migrants working in these countries is important in the demand for Pakistani workers. One participant in the Daska tehsil FGD said that he has a small business in Dubai and also holds permission from the host Government to employ overseas workers. Whenever he needs workers, he visits his village and hires the required number.

Another feature which has rarely been reported in the literature is “processing” vs “recruitment”. A considerable proportion of OEPs have limited their role to “processing only”, as reported by them during in-depth interviews. This means that the OEPs do not maintain contacts with overseas employers, and they do not make efforts to obtain demands for Pakistani workers from overseas. In most cases they do not engage themselves in selecting prospective migrants, who contact these

“processing only” OEPs directly or through intermediaries for endorsement of their documents and assistance in processing, which includes the medical test, insurance and pre-departure briefing, among others. This processing is legally considered to be recruitment; in case of any problem faced later by the worker, the OEP is held responsible. Prospective migrants pay the OEPs PKR 6,000 to 7,000 (US\$38-45) for their services. This feature of recruitment in Pakistan has been a major reason for the growing disconnect between OEPs and potential migrants. There is a very small group of OEPs in Sialkot and Gujranwala districts who carry out marketing abroad and obtain demands for Pakistani workers, recruit the required number of workers, and then help them in the processing as well.

The information system about job opportunities abroad and legal channels of recruitment is weak in Pakistan. No doubt, the information on overseas jobs is available on the websites of the BE&OE and OEC, as well as the National Vocational and Technical Training Commission (NAVTTTC). However, the literature as well as qualitative discussions show that potential migrants, particularly those with low skills living in rural areas, rely primarily on friends and relatives, or local intermediaries, for such information. Although this system is gradually being improved by the BE&OE for better awareness of workers about overseas jobs, the challenge of how to disseminate correct information to intending migrants remains.

The recruitment industry in Pakistan has focused on the emigration of low-skilled and semi-skilled workers, with few skill requirements. The share of these workers has remained very high for a long time, contrary to other countries which have gradually moved to skill-specific emigration.

These weaknesses of the recruitment industry have given rise to the growing role and importance of the unlicensed intermediaries. At least in Sialkot and Gujranwala districts, some trade test and training centres have assumed the role of recruitment intermediaries. The owners of a few training centres denied that they were in recruitment during meetings with the survey teams, but all stakeholders as

well as participants of FGDs confirmed their growing role in recruitment. This is for two reasons. The training centres have access to workers seeking overseas employment, and have developed databases, so that some OEPs contact these centres to meet their demands.¹² To tackle this issue, the BE&OE has begun to take action against these test trade centres to regulate their activities; some centres have been blacklisted.

Many travel agents have also taken on the role of intermediaries, at least in Gujranwala and Sialkot districts. Six out of 53 intermediaries were found to be travel agents, which shows that intermediaries are shifting from individuals to small-scale institutions. However, this does not undermine the role of traditional intermediaries.

The operations of traditional intermediaries can be classified into different categories. First, they are mostly return migrants who know the recruitment process and have developed contacts with overseas

employers and firms to obtain demands for Pakistani workers.

Second, some families have invested in their children (particularly those residing and working in Saudi Arabia and Dubai) to develop contacts with local employers and firms for securing demands for Pakistani workers. The family back home takes the responsibility of finding suitable candidates and processing of their visa and employment documents. This scenario shows that many intermediaries are in fact working on the advice of migrants abroad.

The last feature of the recruitment industry is its concentration in central and southern Punjab, KP and Azad Jammu and Kashmir (AJK), though a few districts of southern Punjab have also increased their participation in overseas employment. The overseas recruitment activities in Baluchistan are limited, whereas in Sindh the OEPs are active; however, there is need for improvement in interior Sindh.

► 4.5 The need for recruitment intermediaries

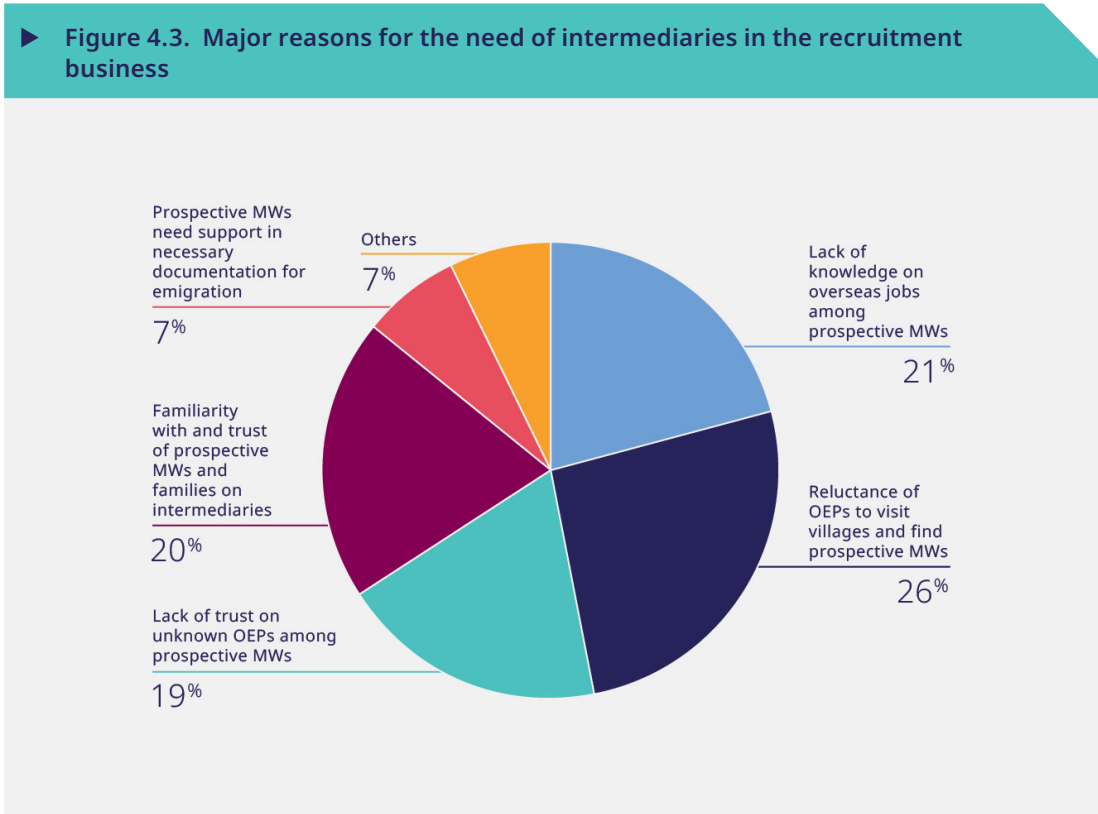
The conceptual framework presented in section 3 and the discussion carried out in the previous section suggest that the business of recruitment intermediaries is flourishing for the following reasons:

- i. a growing disconnect between OEPs and prospective migrants;
- ii. high demand for overseas employment among the population of Pakistan;
- iii. a dearth of information on job opportunities abroad; and

the assistance required by intending migrant workers to process a direct visa. Direct employment has been clearly defined in Rule 2 (C), which does not cover employment through intermediaries. In response to the

question on how the need for intermediaries emerged in a specific area, more than a quarter (26 per cent of the intermediaries surveyed) remarked that “OEPs are unable to go to villages in search of potential migrants”, which could be termed as a “disconnect between OEPs and prospective migrants”. Around 20 per cent of the respondents reported that it was the lack of information on overseas jobs amongst prospective migrant workers that led to the emergence of intermediaries. Around 19 per cent of the respondents said that “prospective migrant workers do not trust the unknown OEPs”, while 20 per cent considered that intermediaries are familiar to and trusted by family members of migrant workers as they reside in the same village or town (figure 4.3).

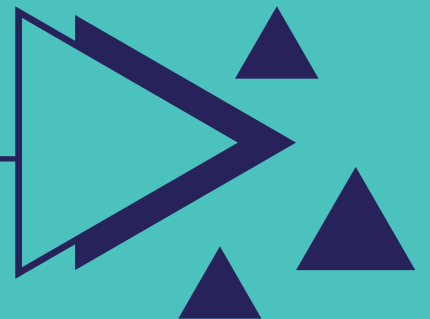
12 This was reported by the owner/manager of a trade centre interviewed in Gujranwala.





5.

Role of
intermediaries
in recruitment for
foreign employment
in Pakistan



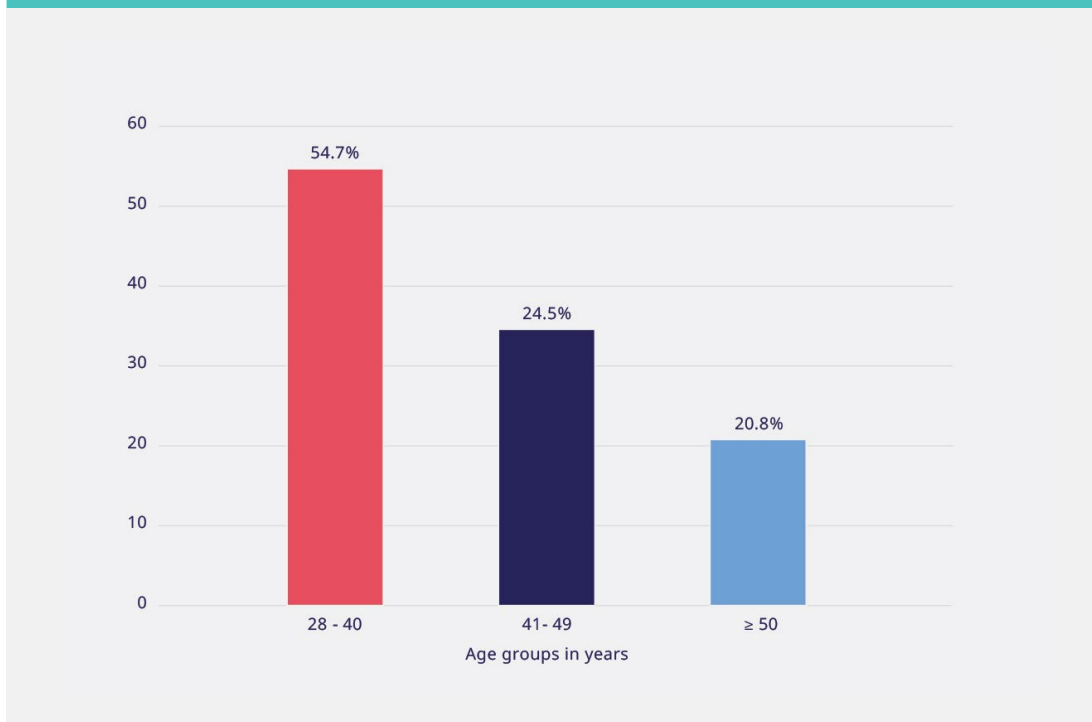
This section presents findings of the study based on the data gathered through the survey of 53 intermediaries in Gujranwala and Sialkot districts. A wide range of areas is covered, including the profile and role of intermediaries; their relations with OEPS, foreign employers and prospective migrants; awareness of the regulatory agencies, rules and regulations; placement of workers abroad through intermediaries; and money received from an OEP or a prospective migrant.

► 5.1 Profile of recruitment intermediaries

All sampled recruitment intermediaries are male; at least in Sialkot and Gujranwala districts, no woman was found in this business. Some socio-demographic characteristics of the intermediaries are shown, including age, education, overseas work experience and current main occupation.

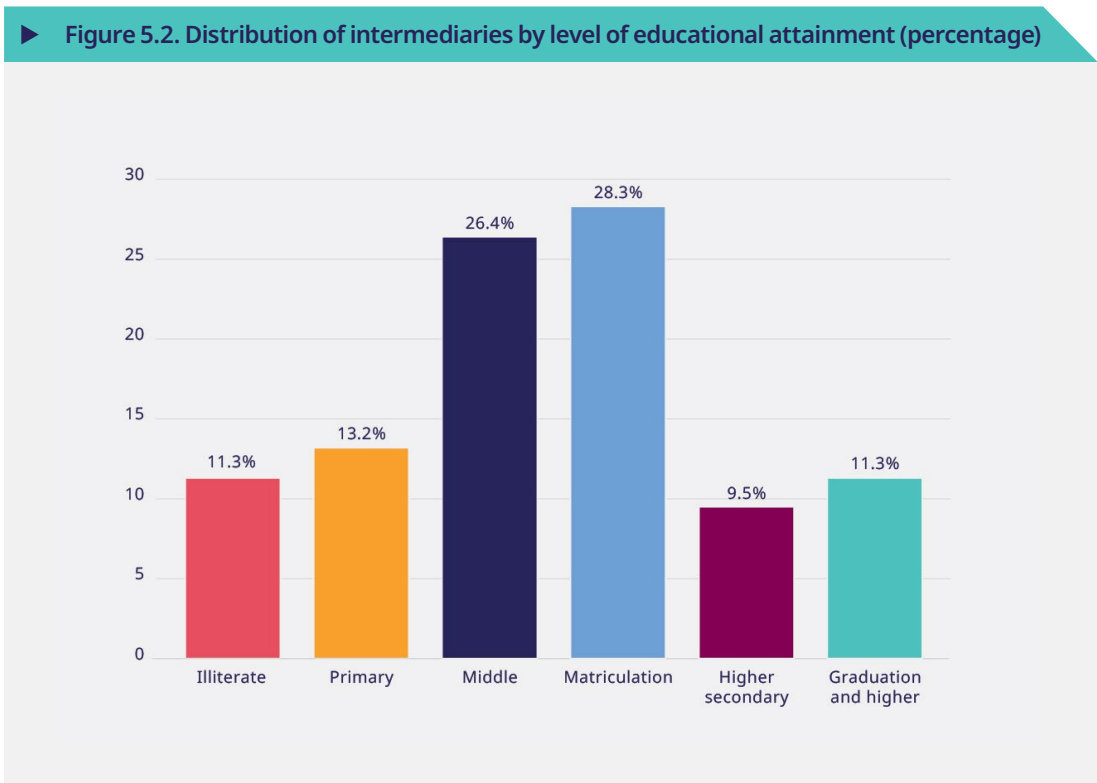
Figure 5.1 suggests that more than half of the intermediaries are young (28–40 years), as the nature of their work (finding workers) requires personal engagement with prospective migrants and their families living in different areas and regions. Around one-quarter fall into the age group of 41–50 years, while 21 per cent are over 50 years of age.

► Figure 5.1. Distribution of intermediaries surveyed, by age (percentage)



About one-tenth (11 per cent) of the intermediaries are illiterate, while 40 per cent have completed primary or middle level education (Grade 5–8). More than a quarter (28 per cent) have completed matriculation (Grade 10). The remaining one-fifth have more than ten years of schooling (figure 5.2). With this academic qualification, they

are likely to have contacts with low-skilled or semi-skilled workers interested in overseas employment. More qualified potential migrants, or those with better skills, are likely to have access to newspapers and/or the internet to obtain the necessary information and process their applications for overseas jobs.



Most of the intermediaries are married (87 per cent) and living in communities with their families, probably for generations. The age and educational distribution of intermediaries is important for policymakers for two reasons: first, educated young persons living in rural areas may be targeted for skill development in order to enhance their employability in formal sectors of the economy, and they do not get involved in irregular recruitment practices for overseas employment. Second, with these characteristics, intermediaries are likely to be responsive to any legal and/or administrative actions against their illegal recruitment activities. For example, the survey found a couple of former intermediaries who had abandoned their recruitment activities as the result of serious action taken by the FIA.

As expected, 70 per cent of the intermediaries have earlier worked abroad (figure 5.3); they are returned migrant workers. Their work experience and overseas contacts seem to be among the key factors for being involved in the recruitment of workers for foreign employment. They are aware of the requirements of overseas labour markets and understand well how these requirements can be met. Their overseas work experience is likely to contribute positively to their recruitment business activities. However, the illegal engagement of some returned migrant workers in the recruitment industry also indicates the lack of effective socio-economic reintegration services available to them.

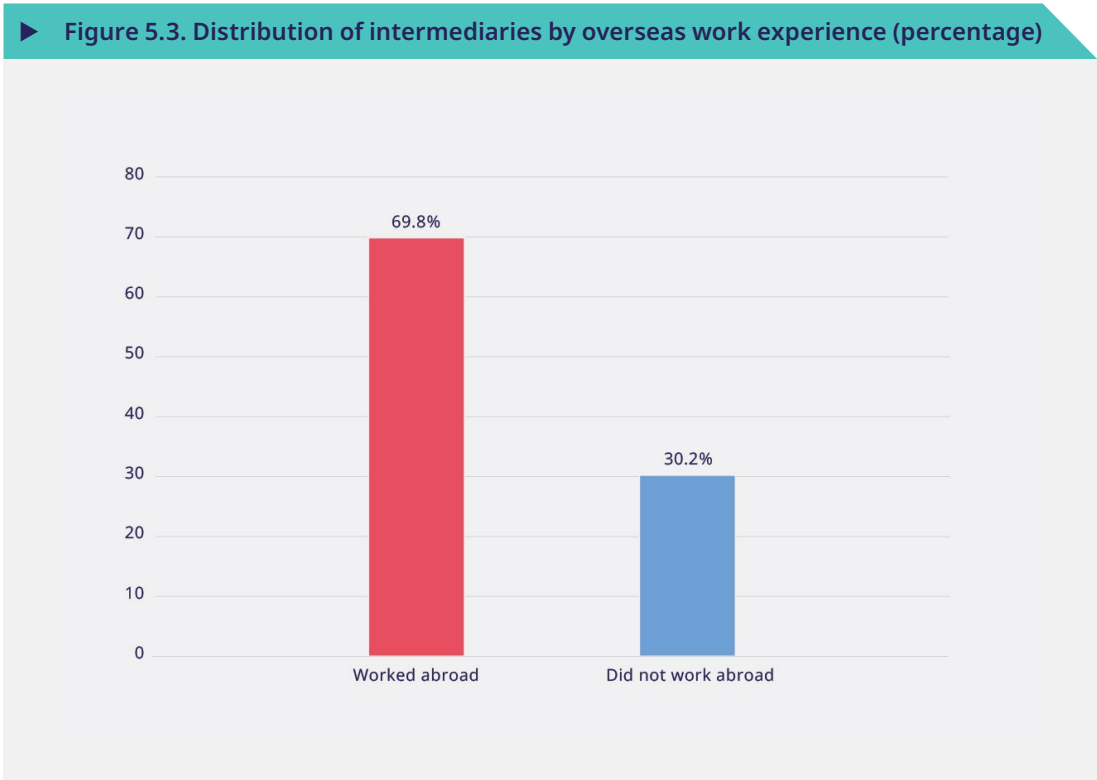
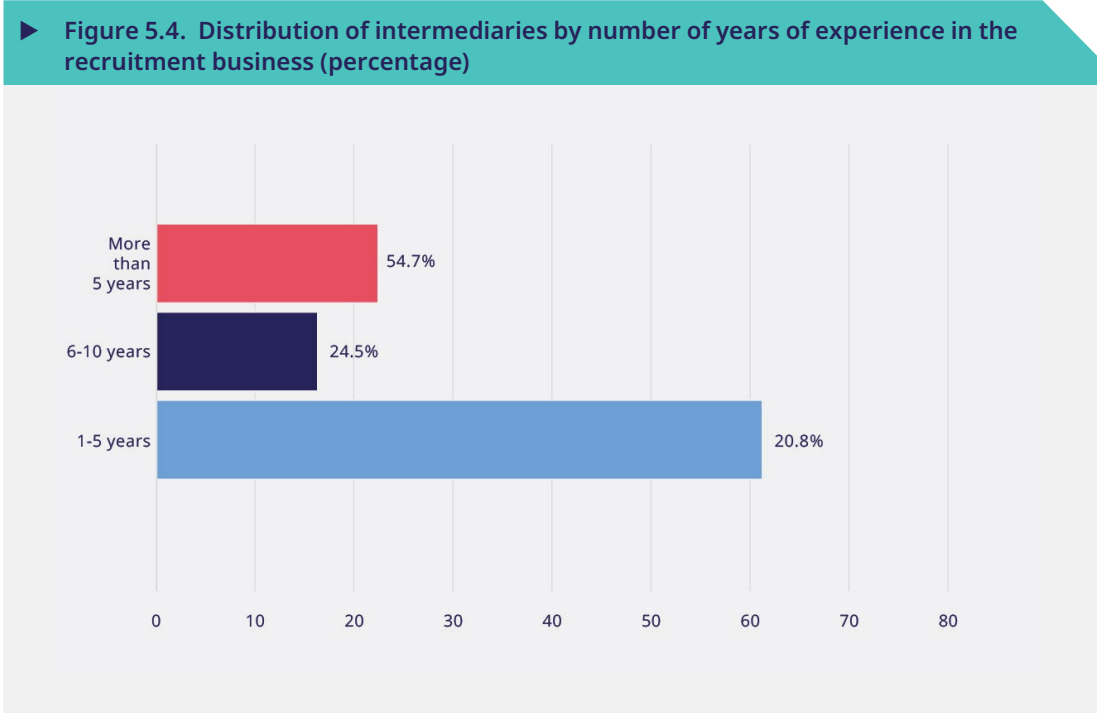


Figure 5.4 suggests that more than 60 per cent of the intermediaries have been active in the recruitment industry during the last five years, 16 per cent have been practising for six to ten years, while over 22 per cent have ten years of experience in the

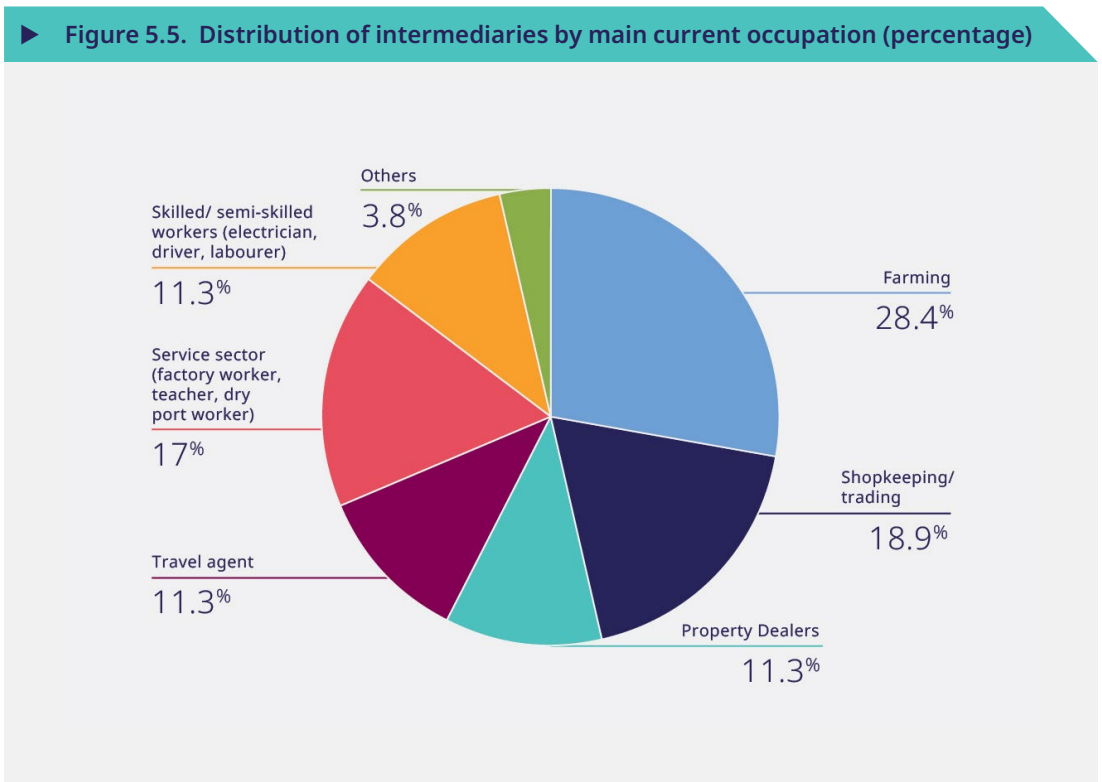
recruitment business. Such a long stay in the business indicates that they have a good reputation in their areas. The survey team also met some former intermediaries who had left the business because they could not manage their business effectively.



As to the main current occupation of the intermediaries surveyed, around half of them reported that they are engaged in farming, shopkeeping or trading. Interestingly, one-fifth are either travel agents or property dealers (figure 5.5). Obviously, with this occupation they can manage the recruitment business better than those individuals engaged in farming or running a shop. As reported earlier in this study, travel agents who hold a license for travel arrangements only have gradually increased their share in informal/irregular/illegal recruitment

practices. They are not licensed to work as foreign employment promoters, which makes their work illegal.

Intermediation was reported as the main or full-time occupation by 11 per cent of intermediaries surveyed, which they referred as “fieldwork”.¹³ This includes assisting OEPs in finding prospective migrant workers and/or in processing and completing their necessary documents for foreign employment. The rest of the intermediaries also do this type of fieldwork, but it does not seem to be their full-time activity.



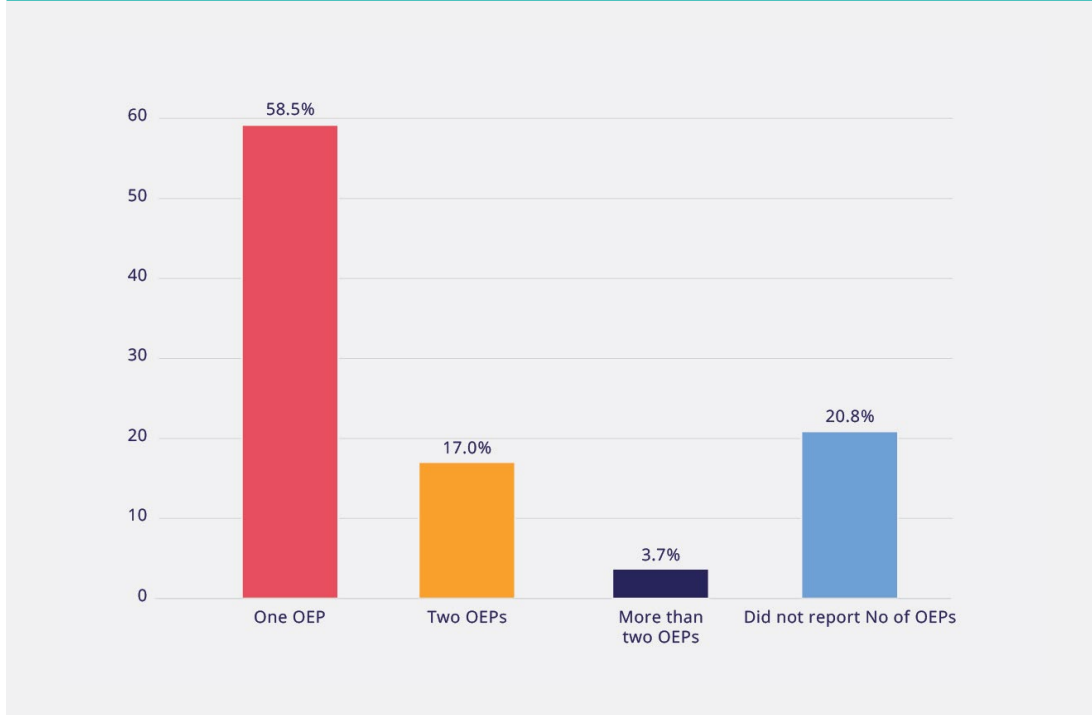
¹³ The term “fieldwork” here refers to the activities of intermediaries related to the recruitment of workers for overseas employment. As used in section 3 it refers to the fieldwork carried out for this study, including interviews, FGDs and case studies undertaken by the researcher for this report.

► 5.2 Recruitment business practices by intermediaries

Figure 5.6 shows that approximately 60 per cent of the intermediaries work with one OEP, while less than one-fifth are associated with two OEPs. Only a small proportion of

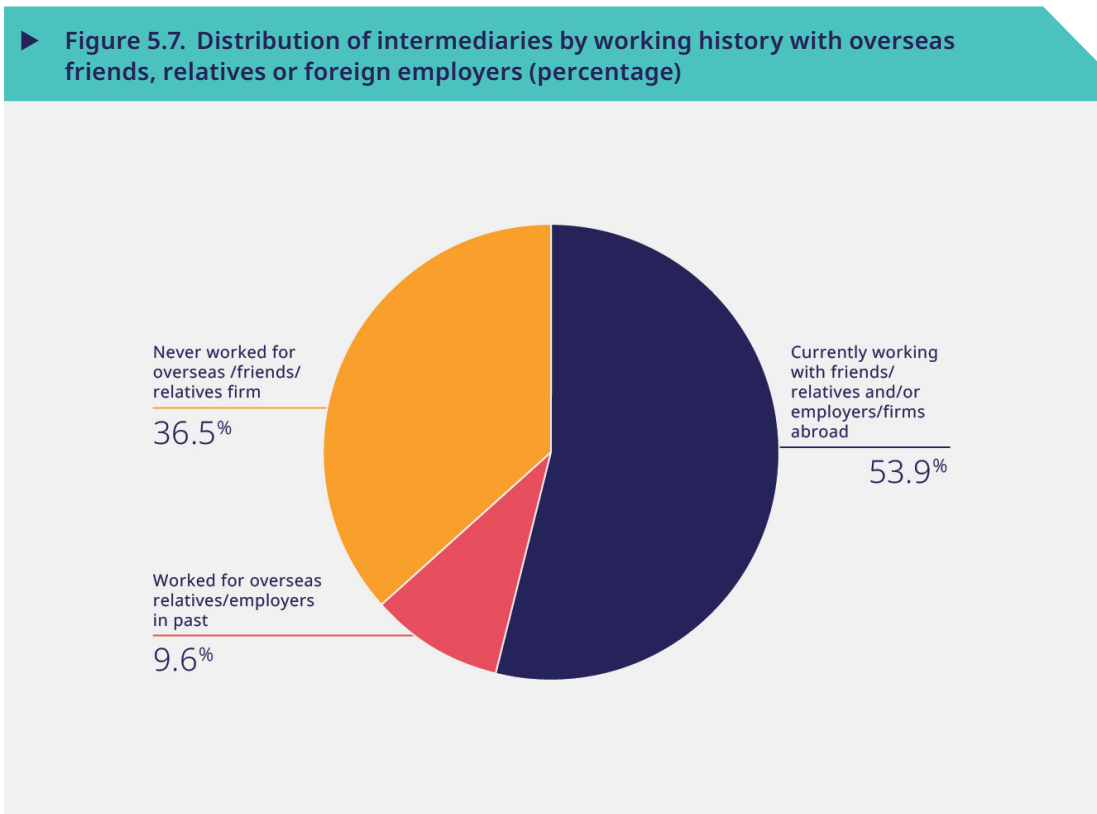
them work with three or more OEPs. About one-fifth of the intermediaries surveyed did not report the number of OEPs for whom they work.

► Figure 5.6. Distribution of intermediaries by number of OEPs they work for (percentage)



About two-thirds of the intermediaries surveyed have a history of working with an overseas friend or relative and/or a foreign employer or firm (figure 5.7). Only 36.5 per cent have never worked with overseas friends, relatives or employer. The data suggest that in most cases, when an OEP receives an overseas job demand he engages an intermediary to find suitable clients in

line with the job requirements. However, as observed earlier, many OEPs are doing only document processing. So in some cases an intermediary, using his overseas contacts, obtains the job demand and engages an OEP for the processing of documents. Overseas friends and relatives of the intermediaries play major roles in running their recruitment business in Pakistan.



Only 11.3 per cent of intermediaries are working full-time in the recruitment business and have an office, while an overwhelming majority (89 per cent) carry out their activities as a part-time business without any office. Some travel agents are likely to be engaged fully in recruitment activities, as observed during the qualitative work (FGDs and case studies reinforced these findings). Contrary to expectations, the geographical coverage of recruitment-related activities has not been found to be limited to the intermediaries' native village or its surroundings; rather, their operations stretch to several tehsils and/or districts. One-third of the intermediaries reported that their operations are not limited to any specific geographical area.

Intermediaries are not an interconnected group; they mostly work independently with no or little collaboration with others. Over 62 per cent reported no collaboration with other intermediaries. However, one-third of them collaborate with other intermediaries for exchanging information or finding prospective migrant workers.

With regard to the key functions of intermediaries, 38 per cent reported that they connect prospective migrant workers in a timely way with recruitment agents or OEPs. Other key functions mentioned by intermediaries include: finding dependable and trustworthy migrant workers (25.9 per cent); supporting migrant workers in obtaining the required documents (15.6 per cent); and facilitating the pre-departure process (20 per cent). By dependable and trustworthy workers they mean those who respect the terms or contract they agree with intermediaries, such as timely payment of fees and completion of all requirements for going abroad.

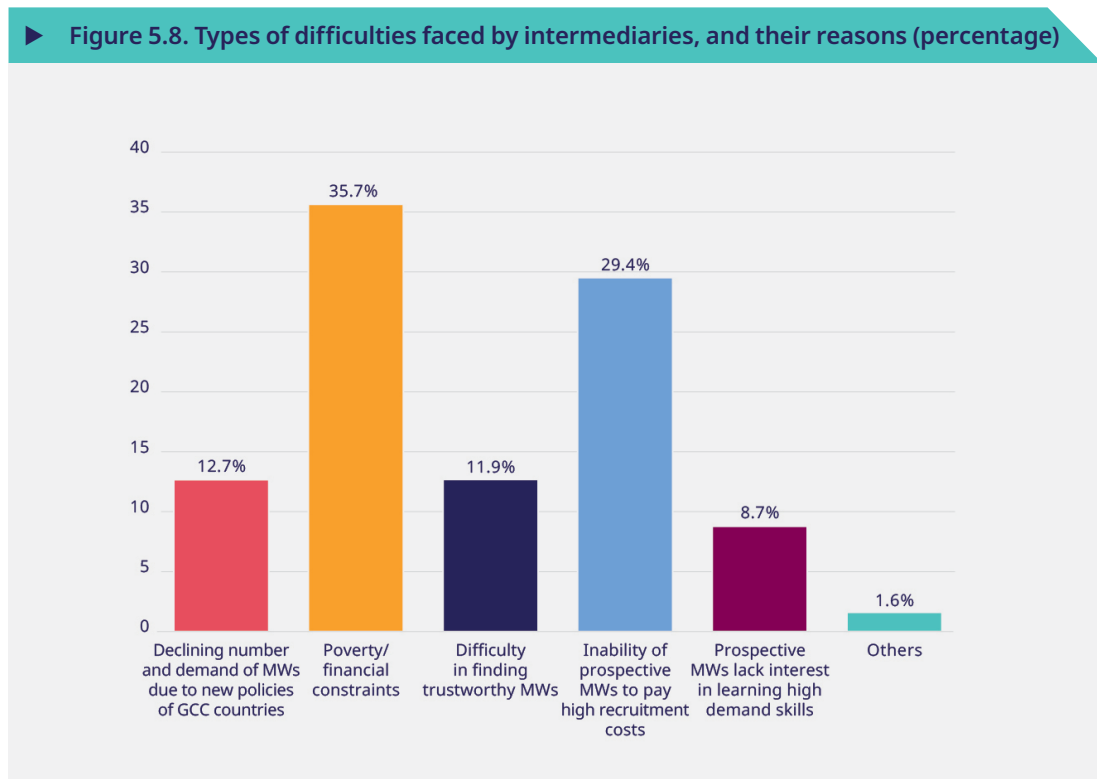
Figure 5.8 enumerates major difficulties intermediaries encounter in the recruitment business. The key challenge, as reported, pertains to poverty and the high cost of emigration (35.7 and 29.4 per cent respectively). The majority of residents in rural areas, with meagre financial resources, find it hard to arrange the heavy recruitment costs. This clearly implies that recruitment for

foreign employment mainly depends on the financial capacity to pay the related costs, and not on the skills of the worker. It also shows non-compliance with ILO Convention No. 181 and the General Principles and Operational Guidelines for fair recruitment (GPOG), which emphasize that recruitment costs and fees should not be charged to migrant workers, but should be paid by employers.

Around 13 per cent of the intermediaries mentioned challenges related to a reduced number of potential migrants due to the introduction of new policies in GCC countries, increasing the return flows of Pakistani workers, particularly from Saudi Arabia. These policies also made it difficult to keep the families overseas. However, as of 2019 an upward trend in migration has been observed, mainly due to the opening up of the Saudi market for Pakistani workers.

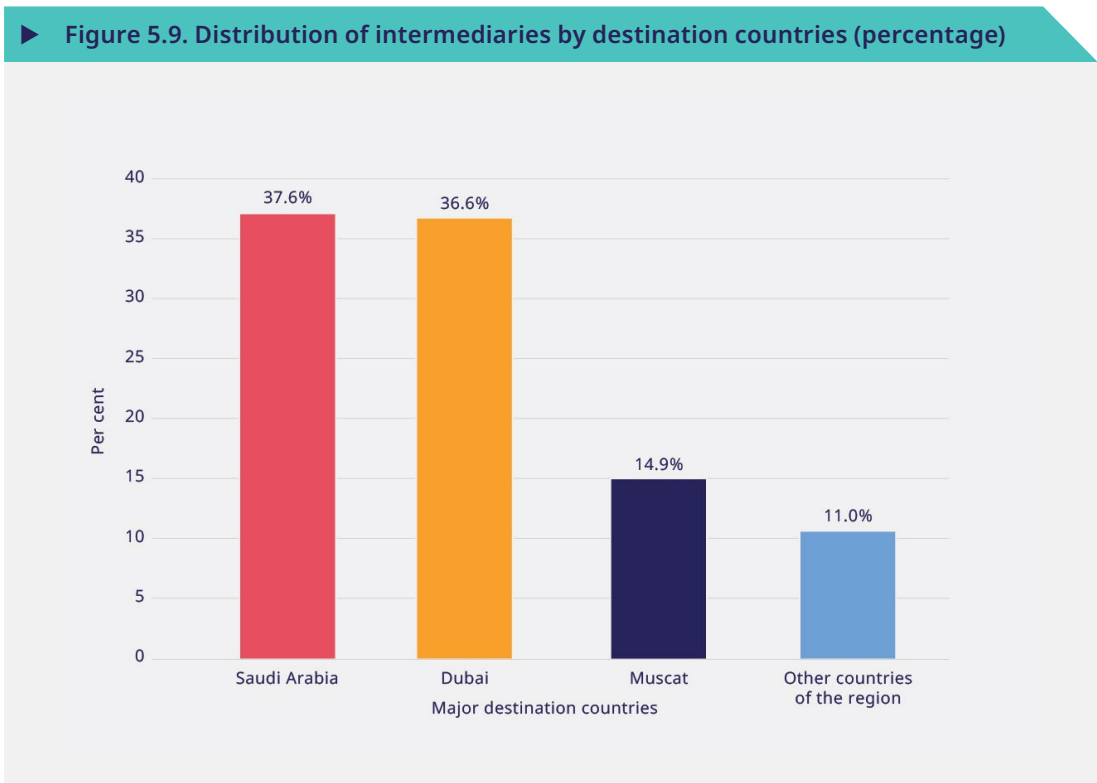
With policies changing there is growing demand for better-qualified and skilled human resources in foreign labour markets; but a lack of interest in, and aptitude for, taking up technical and vocational training in order to develop skills in high demand reduces the prospects of emigration. Over 8 per cent of intermediaries reported difficulties in finding suitable candidates for foreign jobs due to a lack of skills, or limited skills sets insufficient to meet the requirements of the jobs available.

Problems in identifying trustworthy prospective migrant workers were reported by 12 per cent of the intermediaries surveyed. Being trustworthy is important for both parties, intermediaries as well as migrants. The focus group discussions also confirmed that sometimes prospective migrant workers do not cooperate in paying the agreed amounts in a timely way, and some tend to decline in the middle of the recruitment process.



GCC countries, particularly Oman, Saudi Arabia and United Arab Emirates, were reported as the major destination countries (figure 5.9) for which the intermediaries

working in Gujranwala and Sialkot assist prospective migrant workers. They do not work for prospective migrants to non-GCC countries such as those in Europe.



The qualitative data show that low-skilled and semi-skilled workers (drivers, masons, plumbers, among others) are the main categories for which intermediaries facilitate the recruitment of migrant workers. As discussed earlier, the informal nature of recruitment practices and the inclination of many OEPs towards “processing only” has limited the recruitment activities to low-skilled and semi-skilled workers who are relatively easy to find and deploy abroad. This indicates the prevalence of informal recruitment practices by intermediaries

– that is, finding low- to semi-skilled workers and connecting them with OEPs and foreign employers primarily through their friends or relatives abroad. Conversely, foreign employers do not work with any available intermediary; contact is usually through friends and relatives of the intermediary.

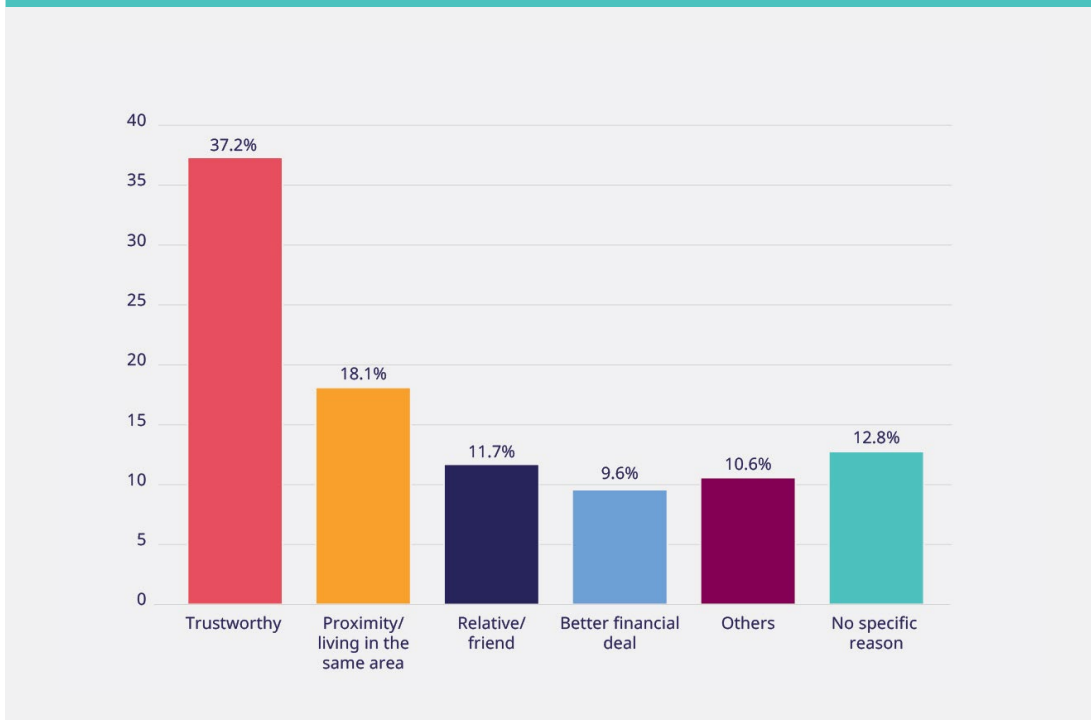
The participants in the FGDs reported that prospective migrants lack reliable information on the regular channels for emigration, and have no or only limited ability to pursue the entire recruitment process.

► 5.3 Relationship between intermediaries and OEPs or foreign employers

Intermediaries generally themselves approach OEPs to work with them in the recruitment business. Previous work experience, trustworthiness, being a relative or friend, and proximity of the intermediary to potential migrants are all considered by an OEP when deciding about selecting and involving an intermediary.

For the intermediary, the qualities valued in an OEP they want to work with include trustworthiness, location of the agency, friendship and a better financial deal (figure 5.10). Intermediaries work with OEPs either without an agreement (38 per cent) or with a verbal agreement (62 per cent).

► Figure 5.10. Reasons for an intermediary to work with a particular OEP (percentage)



Around three-quarters (73.8 per cent) of intermediaries reported that they were the ones to contact OEPs and offer their services, while approaches by OEPs reached 26 per cent of the intermediaries surveyed. The informality in such recruitment practices is evident: no intermediary reported any written agreement with OEPs, 62 per cent of them were operating through a verbal

agreement, with 38 per cent working without even a verbal agreement. Major elements of verbal agreements include: a fixed commission per migrant worker (88 per cent of intermediaries); dispute settlement;¹⁴ and matters pertaining to agreement violations (4 and 4 per cent respectively).¹⁵

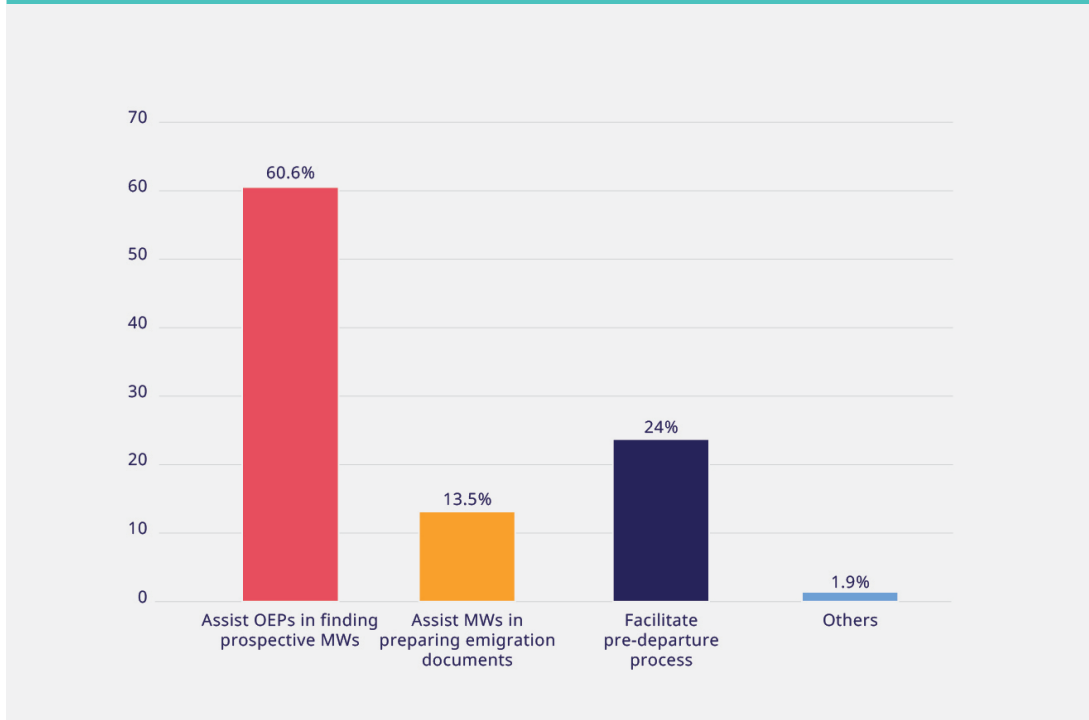
¹⁴ This refers to potential disputes that can emerge between OEPs and intermediaries during the recruitment process. But no dispute was reported either by the OEPs or by the intermediaries during interviews.

¹⁵ The total number of intermediaries included in the analysis was 53. This number can increase when a question allows multiple answers.

As shown in figure 5.11, the major services extended and reported by intermediaries include: assistance to the OEP or recruitment agency in finding prospective migrants (61

per cent); facilitation in the pre-departure process (24 per cent); and preparation of necessary documents (14 per cent).

► Figure 5.11. Distribution of intermediaries by type of service offered to OEPs (percentage)

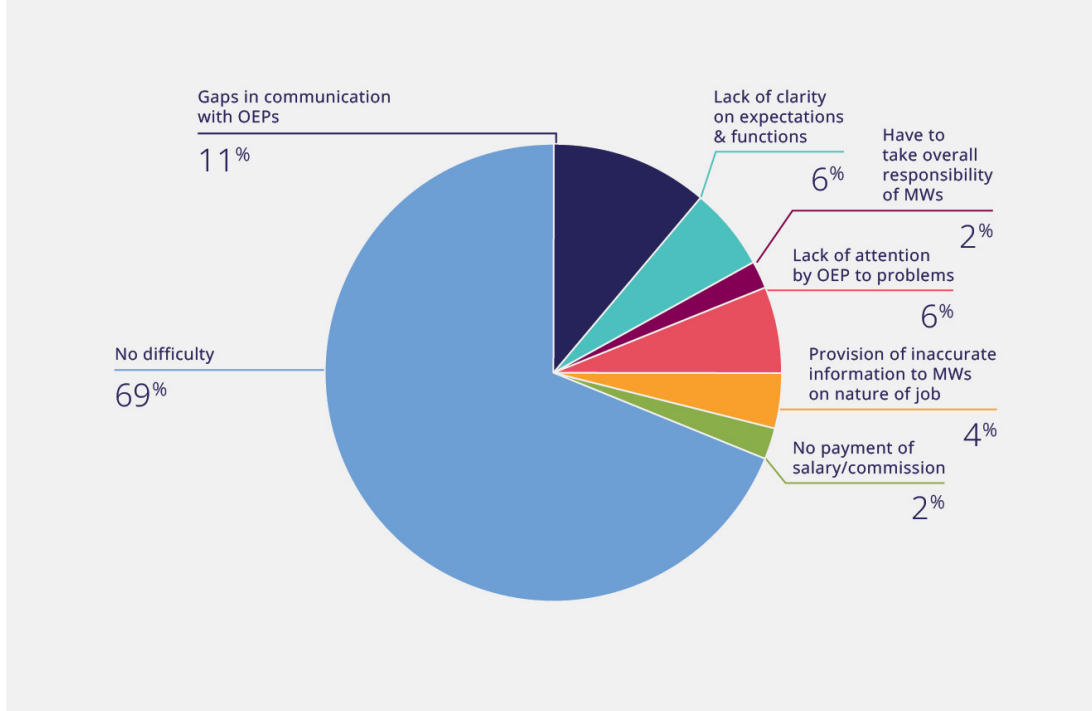


The survey data show that three-quarters of the intermediaries (73.6 per cent) expressed satisfaction with their relationships with the OEPs they are associated with, and with their performance. In response to major issues and difficulties while working with OEPs, 69 per cent mentioned no difficulty, while the rest enumerated a range of issues encountered, including gaps in communication (12 per cent), and lack of clarity on expectations and their functions (6 per cent). Another 6 per cent complained that OEPs do not pay attention to their problems. Figure 5.12 suggests that amongst the issues enumerated, delays in securing migrant workers' visas, and high visa fees should be included (as noted during

the case studies). Intermediaries consider that they have to shoulder the overall responsibility for the migrant worker, on account of their mediation role, which makes a heavy workload.¹⁶ Around 4 per cent of intermediaries pointed out that OEPs often provide inaccurate information to migrant workers regarding the nature of the job abroad. These findings were also reinforced by qualitative research, where migrant workers find themselves in a situation different from what was promised before departure, in particular with regards to the salary package and working conditions.

¹⁶ The work includes all steps of recruitment, beginning with finding a suitable candidate to assisting in preparation of all documents and helping with pre-departure briefing. Since the question allowed multiple answers, the distribution may exceed 100.

► Figure 5.12. Types of issues faced by intermediaries working with OEPs



As earlier mentioned, intermediaries reported working for foreign employers, recruitment agencies and/or friends and relatives abroad. Two-thirds of them (67 per cent) claimed that they were selected by an employer or recruitment agency, or by friends or relatives abroad, while 33 per cent approached and offered their services to the overseas actors. The criteria adopted by foreign recruiters for selecting and working with an intermediary are almost identical to what has been earlier reported regarding relations between intermediaries and OEPs. Reliability and trustworthiness were reported as the most important condition (by 36 per cent), followed by preference for local friends or relatives (29 per cent), and persons with previous work experience in a similar field (15.3 per cent).

It is worth discussing the preferences of intermediaries for working with particular foreign employers or recruitment agencies. Thirty-seven per cent reported that they found a particular foreign employer trustworthy to work with. Around half reported the presence of their friends and relatives abroad as a major reason to work for foreign employers. It also appears from

the qualitative research (case studies) that a few intermediaries have developed connections with foreign employers during their stay abroad and use these contacts for their recruitment business. For instance, an intermediary from Gujranwala district said: "While I was working, my kafeel asked me to find him some Pakistani workers, so I contacted my brother to find suitable persons to meet the demands of my kafeel. That was the start of my involvement in this business. After my return to Pakistan, I am in close contact with the kafeel."

Approximately, 11 per cent of the intermediaries surveyed reported that they approach specific foreign employers as they offer "better financial deals". On the nature of relations with foreign employers, an intermediary in Sialkot district remarked during an in-depth interview: "We negotiate the salary and working/living conditions of migrant workers with foreign employers."

► 5.4 Intermediaries, migrant networks and recruitment

The nature of the relationship between intermediaries and OEPs, including friends and relatives working abroad or foreign employers, as discussed above, explains to some extent how the former are engaged in the recruitment process. It appears that, on one hand, intermediaries assist their respective OEPs in finding prospective migrants to meet the requirements of foreign employers, and assist workers in completing the necessary documentation including medical examination, insurance and pre-departure orientation. On the other hand, many intermediaries are also linked with their friends or relatives working abroad, and even with some foreign employers, to obtain demands for overseas employment. In this regard, the salience of migrant networks was emphasized during the FGDs and the case studies. Since 70 per cent of the intermediaries surveyed in Sialkot and Gujranwala districts are returned migrants, they have developed networks with their friends or relatives working abroad to arrange jobs for Pakistani workers. As earlier shown in figure 4.2, around 40 per cent of Pakistani migrant workers procured foreign employment in the recent past through their own efforts or with the help of their relatives and friends abroad. It can be argued here that intermediaries play a role in this type of procurement through their overseas networks, but it is not possible to determine the magnitude of their role.

Moreover, in case of job demands from Saudi Arabia, OEPs and intermediaries sometimes work together in an interesting way. A situation discussed during an FGD in the village of Daska in Sialkot illustrates this nexus, where around 100 residents of one village found overseas employment through two overseas Pakistanis, who arranged work

visas and employment documents. Typically, a local intermediary resident in the same village and a close relative of an OEP, in Rawalpindi finds suitable persons and assists them in preparing their employment and visa documents. He then engages the OEP in Rawalpindi to process the cases. If required, he visits the OEP with prospective migrant workers. This also explains how OEPs are “only processing” without being involved in the whole recruitment process. The presence of an intermediary in this village and his connection with the OEP and fellow villagers working in Saudi Arabia show the chain of recruitment. It probably shows the existence of an “OEP–intermediary–overseas Pakistani migrants” nexus, where they work together to secure work or job demands for Pakistani workers and then deploy them abroad. However, it would be unrealistic to generalize this phenomenon or nexus, since it was reported and discussed in one location only. Further in-depth research may help to better understand this chain.

In short, the present analysis suggests that intermediaries are engaged in the recruitment business in three ways: (i) they assist their respective OEPs in finding prospective migrants in line with the requirements of foreign employers; (ii) they use their overseas networks (consisting of Pakistani migrants working abroad) to generate demand for Pakistani workers; and (iii) they connect overseas migrant workers who are engaged in employment/visa activities with Pakistani OEPs to complete the recruitment process. Obviously, in all three ways, intermediaries remain key to connecting OEPs or foreign employers with prospective migrants, charging a certain amount of commission or a fee to OEPs and/or prospective migrants in return for their services.

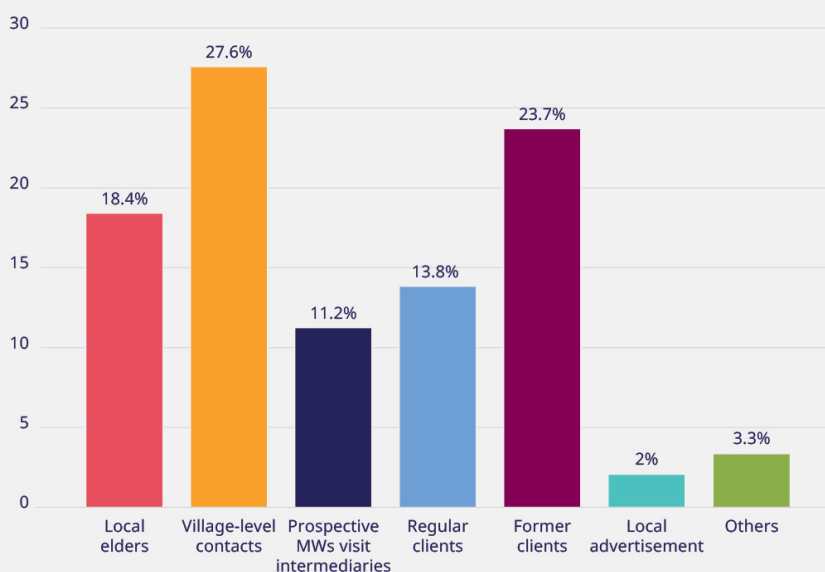
► 5.5 Relationship between intermediaries and prospective migrants

Prospective or intending migrants use different ways to emigrate. Some of them approach a recruiting agency (OEP) and/or an intermediary. It is also a common practice that intermediaries, upon receiving a demand from abroad directly or through OEPs, approach intending migrant workers who meet the requirements of the foreign employer and assist them in completing the recruitment process.

In order to understand the relationships between intermediaries and intending migrant workers, the survey explored the sources and mode of contacts between two parties, the type of assistance or services extended by intermediaries, and the difficulties faced in finding and selecting suitable candidates for foreign jobs. Figure 5.13 illustrates that more than half the intermediaries developed their contacts or relations with prospective

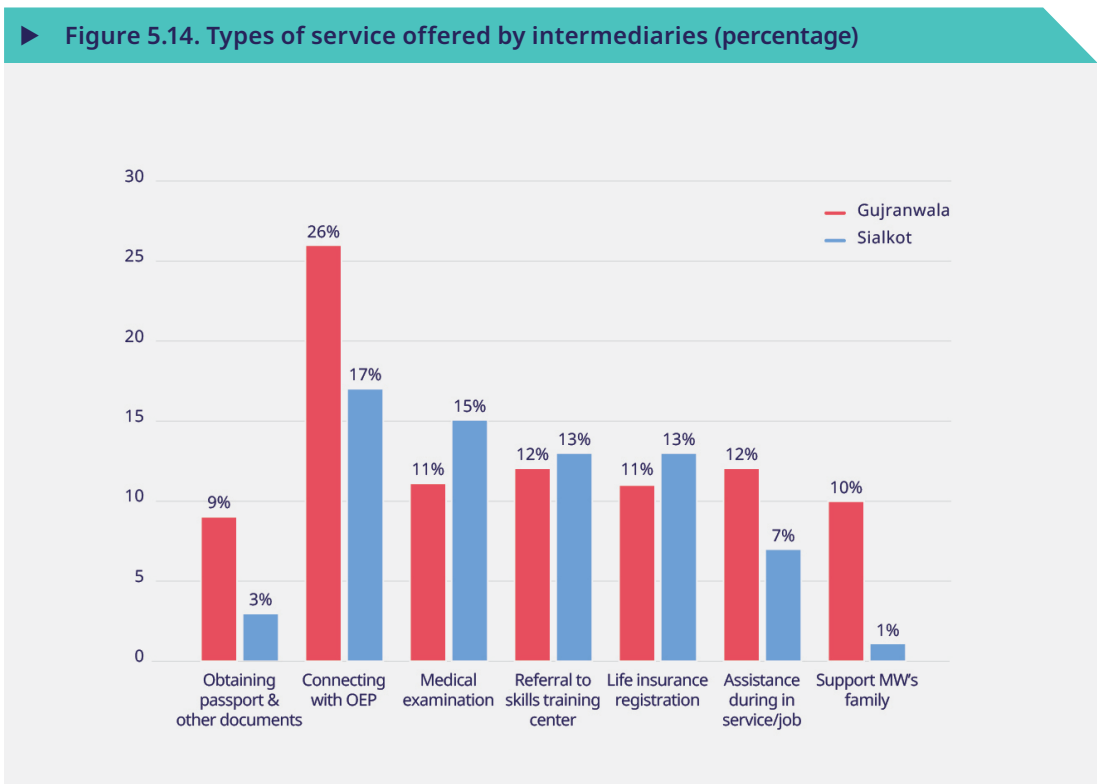
emigrants by using their village-level contacts and involving local elders (28 and 18 per cent respectively). This seems to be a practical way for developing mutual trust between the intermediary and intending migrant workers and their families before the significant investment is made by the latter to secure an overseas job. A little less than 40 per cent of the intermediaries reported that their former and regular clients (23.7 and 13.8 per cent respectively) were the major source of mobilizing contacts with intending migrant workers. These clients are those individuals and their families who have earlier availed themselves of the intermediary's services. It suggests that the relationship between intermediaries and prospective migrants is initially largely indirect but gradually moves to direct, once the process of selection and recruitment starts.

► Figure 5.13. Modes of contact between intermediaries and prospective migrant workers (percentage)



With regard to the provision of services to intending migrant workers, figure 5.14 presents a comparison of services offered by intermediaries in Gujranwala and Sialkot. Those services related to getting the medical examination and certification, referral to skills training centres, and registering for life and disability insurance have been reported by an almost equal percentage of intermediaries in each district. However, a slightly higher percentage of intermediaries in Gujranwala than in Sialkot reported extending support to intending migrant workers in obtaining

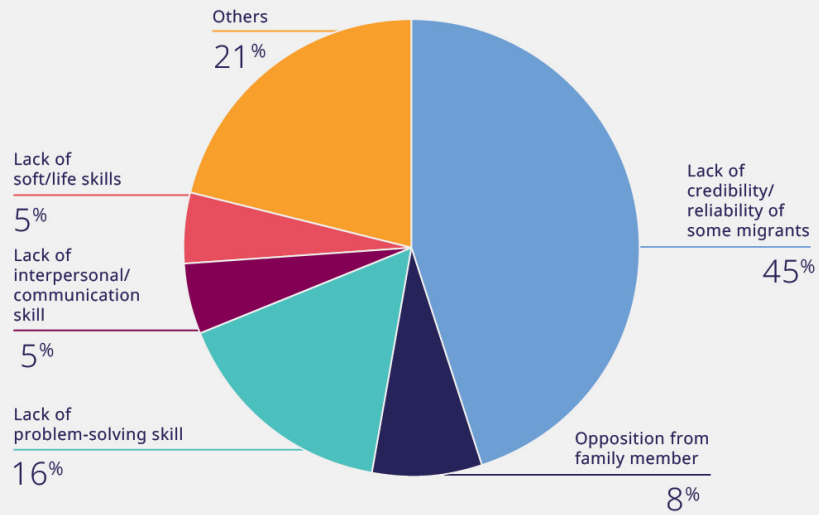
a passport and other relevant documents (9 and 3 per cent respectively); connecting with OEPs (26 and 17 per cent); assistance while in service – for example getting wages and benefits paid as agreed in the contract (12 and 7 per cent); and maintaining contact and extending post-departure support to migrant workers’ families (10 and 1 per cent respectively). These findings seem to indicate that intermediaries in Gujranwala are more likely to demonstrate greater receptivity and assistance to their clients.



The intermediaries surveyed also reported some problems in their relations with intending migrant workers. The most common reported problem is the “lack of credibility/reliability of some migrants” reported by 45 per cent of the intermediaries (figure 5.15) This finding was also confirmed through qualitative data, suggesting that a considerable proportion of intending migrant

workers do not abide by the agreed terms for overseas jobs, particularly in relation to finances. Some of them even decline to go abroad after the process of recruitment. Another 21 per cent of intermediaries indicated that intending migrant workers usually lack problem-solving and soft skills (16 and 5 per cent respectively).

► Figure 5.15. Types of problem faced by intermediaries with intending migrant workers

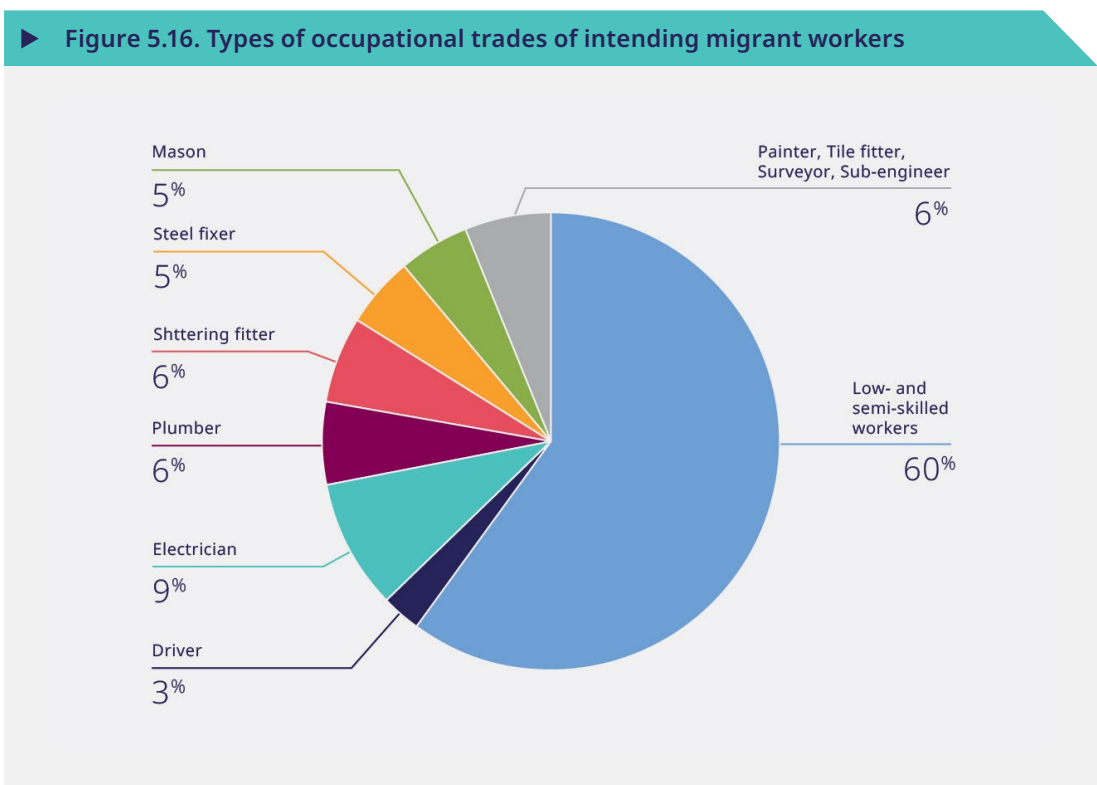


► 5.6 Profiles of intending migrant workers, as reported by intermediaries

The intermediaries surveyed mentioned that more than 90 per cent of their clients/ intending migrant workers are young, below the age of 35 years. In terms of previous overseas work experience, a little less than half of the intermediaries reported that their clients have no prior experience of working abroad, followed by 46 per cent of their counterparts who have a combination of clients with or without overseas work experience. “Experienced workers” refers to those who have already worked abroad and intend to re-migrate on a fresh contract.

As noted earlier, the majority of intermediaries tend to send low-skilled and semi-skilled workers (60 per cent) for overseas jobs (figure 5.16), and the

qualitative research also supports this observation. The remaining 40 per cent of intermediaries reported their clients as skilled, proceeding abroad as electricians, tile fitters, steel/shuttering fixers, drovers, plumbers, masons, sub-engineers, painters and surveyors. This bifurcation also explains that low- to semi-skilled workers are more likely to have no or low education, and to lack information on the sources of foreign jobs and actual costs, which makes them reliant on and vulnerable to local intermediaries. Such a situation seems to be favourable for intermediaries to misinform workers about working conditions and to enhance opportunities to charge heavy recruitment costs to ignorant potential migrants.



► 5.7 Knowledge and use of existing institutional services by intermediaries

Intermediaries' knowledge on emigration-related regulations and the use of existing institutional services is presented in figure 5.17, suggesting that only 36 per cent of them know about the Emigration Ordinance and Rules 1979, which govern the recruitment of Pakistani workers for overseas employment. This information deficit on the key regulations raises questions about the capacity of intermediaries, who play an active role in the recruitment business and may end up providing inadequate information to their clients about their rights and responsibilities. Friends and relatives have emerged as the major source of information on the Emigration Rules for 42.7 per cent of the intermediaries, followed by 35.4 per cent who learnt about these rules through

OEPs. Around 17.1 per cent of intermediaries reported that they learnt about the rules through the media.

Around 68 per cent of intermediaries reported having knowledge about the Protectorate of Emigrants Office (POE) in Lahore, but a little less than half of them had visited it during the previous five years, although in 2019 a majority had done so). Their purpose of visiting the POE was to obtain information on "projects",¹⁷ to process documents, and matters related to visa issuance. By and large, nearly half of them were able to get the required information and support, but over 50 per cent did not receive the response or support they required.

► Figure 5.17. Knowledge of regulations and use of relevant institutions (percentage)



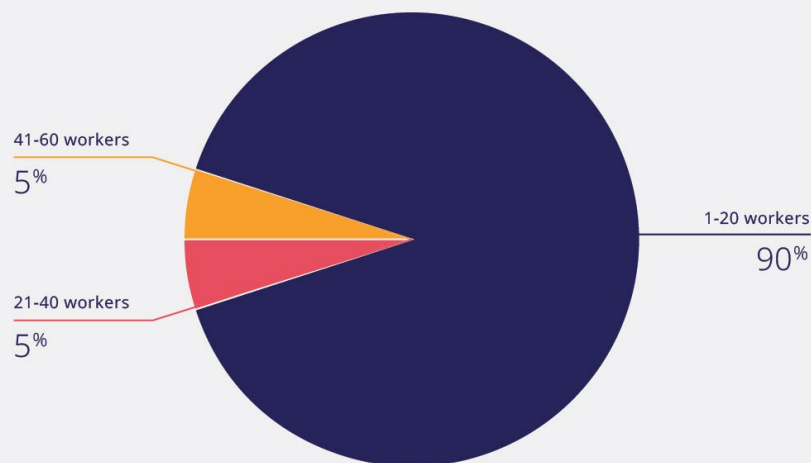
¹⁷ "Project" here refers to foreign jobs advertised in the newspapers, for which the intermediaries seek support of the POE in verifying their authenticity.

► 5.8 Placement of workers abroad by intermediaries

Figure 5.18 presents the number of migrant workers sent abroad by intermediaries who have been working with OEPs. Ninety per cent of the intermediaries surveyed were able to send abroad 20 or fewer Pakistani workers during the previous year, followed by 5 per cent who managed to send 21-40 migrant workers. A similar percentage reported sending 41-60 workers from Sialkot district during the previous year. As earlier reported, a large number of intermediaries are associated with overseas foreign employers, friend or relatives, and an overwhelming majority of them (87.9 per cent) facilitated

between one and five migrant workers to proceed for overseas employment during 2018, while 12 per cent reported sending between six and 15 during the same year. Although recruitment is a part-time business for the majority of intermediaries surveyed (primarily handled by a single person), the above findings confirm their capacity to place migrant workers abroad. With regard to the number of migrant workers sent abroad, the intermediaries associated with formal OEPs seem to have better capacity than those associated with foreign employers, relatives and friends.

► **Figure 5.18. Number of migrant workers placed overseas by intermediaries working with OEPs**



About half the intermediaries consider that during recent years the placement of Pakistani workers in the GCC countries has declined, but the other half did not agree. When pressed to explore the major reasons for declining labour migration trends, about a quarter of the intermediaries reported that the rise in direct employment has had an

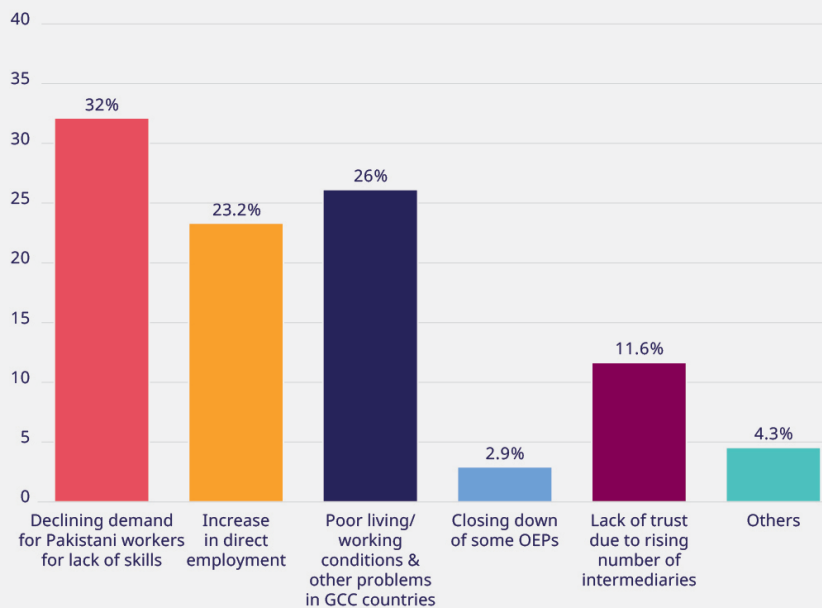
impact on their recruitment business (figure 5.19). This indicates a growing awareness among prospective migrants that they can find a job overseas and process the required documentation without engaging an intermediary. This finding was also confirmed by participants in the FGDs suggesting that many prospective migrant workers (with

better levels of education and exposure) have a great deal of information about effective ways of seeking a job abroad. Friends and relatives, and migrants currently working abroad, as well as returning workers, are the main source of such information.

Effective awareness campaigns (particularly from the Government on foreign job opportunities and regular channels for migration) can help reduce the role of intermediaries in the recruitment industry of Pakistan. The BE&OE is pursuing an awareness campaign through social media, SMS services, radio messages and briefing sessions.

Around 32 per cent of the intermediaries consider that there has been decline in demand for Pakistani workers, primarily due to their lack of technical and soft skills. Another group (26 per cent) perceive that poor living and working conditions and a host of other problems in GCC countries have led to reduced interest and placement. Around 12 per cent consider that the rising number of intermediaries entering the recruitment business has created mistrust among prospective migrant workers, which has also contributed to declining trends of placement through them.

► **Figure 5.19. Perceived reasons for declining placement of Pakistani workers in GCC countries**



The survey respondents were asked whether they would be able to send more workers abroad if their recruiting activities were regulated by the authorities concerned. Almost all (98 per cent) affirmed confidently that if regularized they would be able to send more workers abroad, reflecting

their perceived capacity to manage recruitment practices. However, according to the legislation an intermediary wishing to become regularized needs to apply for an OEP license, the issuance of which will allow him to process the demands of foreign employers.

► 5.9 Amounts charged by intermediaries to OEPs, overseas employers and migrant workers

In order to assess the amounts intermediaries charge clients for their services, the intermediaries surveyed were asked about the average service charges received from OEPs and migrant workers. Approximately one-fourth of them reported receiving no amount, whether from an OEP or a migrant worker. Thirty-six per cent reported charging OEPs an amount of PKR 10,000 (US\$61) per migrant worker, followed by 18 and 13 per cent charging PKR 15,000 (US\$91) and 20,000 (US\$121) respectively.

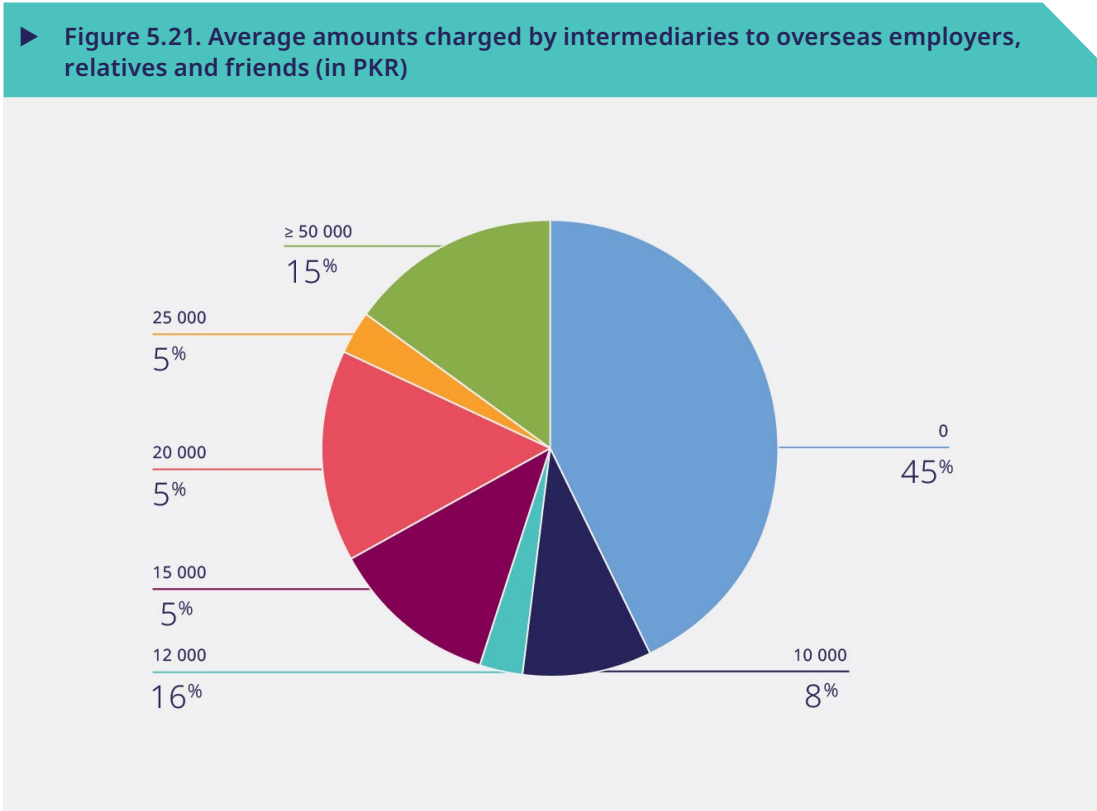
In response to the question concerning average amounts charged to migrant workers, 33 per cent reported charging PKR 20,000 (US\$121) to migrant workers in return for their services. The proportion of intermediaries charging PKR 10,000 (US\$61) or less is around 20 per cent. Another group (14 per cent) reported receiving PKR 15,000 (US\$91) per migrant worker (figure 5.20). These statistics suggest that many intermediaries charge fees for their services to both migrant workers and OEPs.

► **Figure 5.20. Average amounts charged by intermediaries to OEPs and migrant workers (in PKR)**



Figure 5.21 illustrates that over 40 per cent of intermediaries reported that they received zero amounts for their services from overseas employers, relatives and friends. Twenty-four per cent claimed that their service charges to foreign employers ranged between PKR10,000 and 15,000 (US\$61 and 91), followed by 18 per cent receiving PKR 20,000 (US\$121) to 25,000 (US\$152) per migrant worker. The commission of some intermediaries (15 per cent) working with

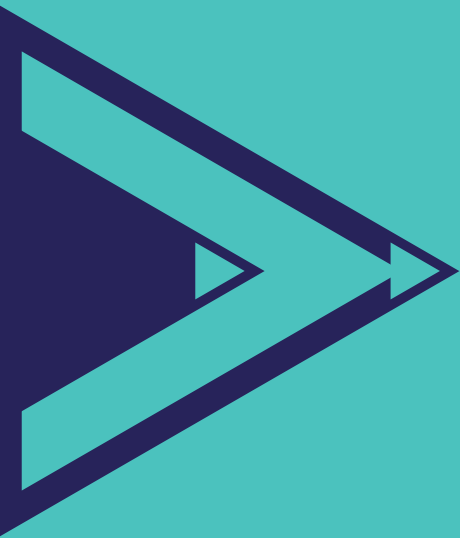
foreign employers was reported as quite high (PKR. ≥50,000 – US\$303) per migrant worker. Here the question arises whether the amount an intermediary receives from an OEP or overseas employer is deducted from the total recruitment costs to a migrant worker. Both intermediaries and migrant workers were asked this question through the FGDs and case studies, but a clear and precise response was not received.



In order to assess the total amount paid by a migrant worker to an intermediary for securing a foreign job, both the prospective and the returned migrant workers in the FGD were asked to share the facts. The reported amount varies between PKR 76,000 (US\$490) and 250,000 (US\$1,612).¹⁸ The commonly reported amount for finding a job in Dubai is PKR 150,000 (US\$968). For securing a job in Saudi Arabia, the amount migrant workers

pay ranges from PKR 200,000 (US\$1,290) to PKR 250,000 (US\$1,612). Again, this cost seems to be on the high side and is not in line with international labour standards, which emphasize that recruitment costs should be borne by the employer rather than the migrant worker. Since these are total recruitment costs, the participants were not sure about the share of the fee that went to intermediaries.

¹⁸ The US\$ amounts are based on the UN exchange rate for April 2020, which is 1 US dollar equivalent to PKR 164.972.



6.

Some divergent views of stakeholders on the role of intermediaries in recruitment



In order to enrich the research findings and obtain the perspective of relevant stakeholders, key informant interviews were carried out. Most of the views expressed were not much different from those already reported in this paper. Three divergent views of the stakeholders are as follows:

- ▶ The interaction between OEPs and the respective Protector of Emigrants Office (POE) is limited to the verifying and processing of the relevant documents for emigration. The stakeholders consider that the POEs do not generally monitor the recruitment business practices of OEPs, such as engaging intermediaries.

- ▶ OEPs are losing their role in the labour recruitment market, as they are seen as not very effective in generating demand

for overseas employment of Pakistani workers. Many OEPs lack sufficient capacity to effectively manage the recruitment process. Their role seems to be further weakening with the growing involvement of travel agents and trade centres in the recruitment business, which are in the business only due to migrant workers' lack of information; otherwise, they cannot generate overseas labour demands on their own.

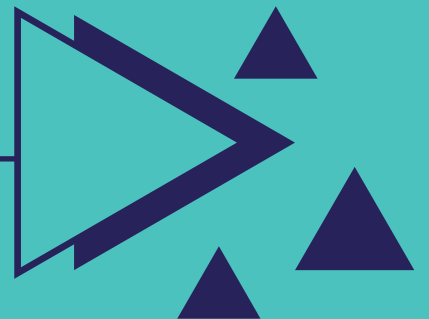
- ▶ The standard contract/foreign service agreement to be signed by prospective migrants is usually in a foreign language such as Arabic or English, which is difficult for an intending migrant worker to read and understand.¹⁹

¹⁹ However, OEPs are responsible for informing the migrant about the terms and conditions of employment in a language he or she understands. A formal briefing is also provided at the Protectorate of Emigrants Offices. Most OEPs independently get an affidavit in Urdu (signed by the migrant) describing the terms and conditions of the foreign employment.



7.

Regional experiences related to regularizing intermediaries



Nepal and Sri Lanka have made efforts to regularize or register sub-agents. In 2011, the Government of Sri Lanka through the Sri Lanka Bureau of Foreign Employment (SLBFE) started the registration of sub-agents (those illegally engaged in the recruitment business). However, the desired outcome could not be achieved (UN-ESCAP 2012). In 2012, the SLBFE started issuing identification cards to illegal sub-agents via the respective licensed recruitment agents for the purpose of registration. However, the number of illegal sub-agents was found to be larger than the number of registered sub-agents, which led to continued illegal practices on the part of the sub-agents. In 2016, the SLBFE banned the sub-agents and asked them to return the ID cards. In March 2017, the Ministry of Foreign Employment submitted a Cabinet Paper suggesting the registration of illegal sub-agents. The SLBFE was actively involved in revising the Sri Lanka Bureau of Foreign Employment Act, 1985 and incorporating the registration of the illegal sub-agents. One of the most important factors responsible for the failure of all these attempts was the lack of empirical evidence to guide regulatory efforts (LBO 2018).

Nepal's Foreign Employment Act (2007) specifies that only registered agents and sub-agents are permitted to recruit migrant workers abroad. They must be registered under the Companies Act (2006) with the Department of Foreign Employment and are required to deposit a licensee fee. The license is renewed every year. The

registered sub-agents are allowed to work with only one agency at a time. There are around 60,000 registered and unregistered individuals operating as full-time or part-time sub-agents in Nepal (IOM 2016). However, fewer than 1,000 could have been registered. According to the Foreign Employment Act (2007) and the Foreign Employment Rules (2007), the sub-agents must have the following qualifications:

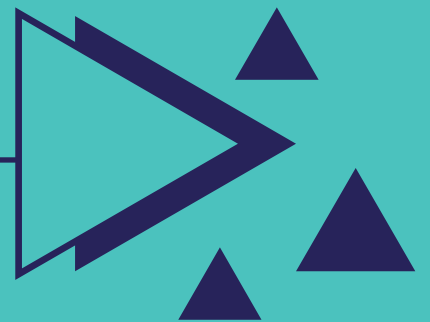
- ▶ be able to read and write the Nepali language fluently;
- ▶ be able to make others understand matters relating to foreign employment (the assessment and evaluation of this skill falls to the agency); and
- ▶ have never been punished for a criminal offence involving moral turpitude.

The recent emigration of Pakistani workers to the Republic of Korea seems to have been a good experience, where the recruitment process was entirely completed without the involvement of intermediaries. Migration to this corridor took place under a government-to-government arrangement and was managed by the Overseas Employment Corporation (OEC) of Pakistan, a public sector entity. Although it was a small-scale migration, the experience suggests that a sound bilateral agreement between two parties or governments with an effective implementation strategy can restrict illegal or irregular activities in the recruitment business.



8.

Conclusions and recommendations



Pakistan has a well-structured institutional system, and rules and regulations for emigration, with 40 years of experience in sending workers abroad. The recruiting system in the country depends heavily on private recruitment agencies, OEPs. However, the role of intermediaries in the recruitment of workers for overseas employment has increased over time. This study indicates the complexity of the recruitment industry, and has identified the following issues.

The OEPs have not developed a system to directly approach prospective migrants to meet the demand of overseas employers; instead they tend to rely heavily on intermediaries, who are not only well connected with intending migrants but also have direct contacts with overseas employers and friends or relatives working abroad.

The recruitment activities of many OEPs are limited to processing, and this is weakening the whole recruiting system. The only public sector agency, OEC, has a very small role in recruitment – government-to-government, such as with the Republic of Korea. It is commendable that the OEC is complying with ILO's fair recruitment principles. However, it is faced with several challenges, particularly as it has not been given a role in approaching overseas private firms and employers for recruiting Pakistani workers. It has no presence at district or lower administrative levels.

The dynamics of the informal recruitment market are changing. Intermediaries used to be individuals working in their communities to find workers, mainly their friends and relatives, for overseas employment. Now, travel agents based in big cities and small towns, as well as trade centres, are actively engaged in the recruitment business.

There is very high demand for overseas employment among the growing young labour force, and it is rather easy to exploit them through informal activities. The system for information provision to jobseekers on foreign employment opportunities, particularly in rural areas, is quite weak.

Pakistan largely sends low-skilled and semi-skilled workers for foreign employment.

Several factors, including the overall low skill levels of the Pakistani workforce, and poor recruitment practices led by intermediaries, account for this trend. It is easy for intermediaries to approach low- and semi-skilled workers and send them abroad.

There is no easy or single solution for improving the governance of recruitment in Pakistan, which is increasingly relying on a variety of informal relationships that evade the regulations. Intermediaries do facilitate meeting the demand for foreign workers, but their business practices have weakened the regular formal recruitment industry. The aim is to ensure regular, safe and fair recruitment in line with international labour standards, particularly those in Convention No. 181 and the GPOG. Some recommendations for the management of irregular recruitment through intermediaries follow.

1. The outreach of OEPs needs to be markedly enhanced, with the aim of connecting them with prospective migrants. In this regard, three steps may be considered. First, the performance of OEPs could be regularly evaluated. The BE&OE presently evaluates their performance on the basis of two indicators: the total number of emigrants sent abroad, and the number of complaints received against the OEP. The evaluation criteria should also assess how an OEP approaches prospective emigrants. Second, the rules allow an OEP to open two sub-offices. OEPs could be encouraged to open their sub-offices in small towns to increase their presence in wider areas.²⁰ If an OEP can manage more than two offices, permission for such opening may be granted. Third, the capacity of OEPs in carrying out their recruitment business needs to be monitored regularly. And the capacity of OEPs to understand the value of and compliance with fair recruitment principles as a business case, needs to be enhanced.
2. The BE&OE has started an awareness campaign about overseas employment opportunities and recruitment processes

²⁰ At present, permission for opening sub-offices is given in deserving cases only, based on the performance and general reputation of an OEP.

through print, electronic and social media. The POEPA and other relevant stakeholders need to work with the BE&OE to enhance public awareness about (i) overseas job opportunities; (ii) legal regular channels of recruitment; and (iii) regulations on fees and other costs. The FGD participants even suggested that an immunization-type campaign could be launched to create awareness about overseas employment. Provincial and local governments, and workers' unions, could also be engaged in the awareness campaign on overseas migration. The BE&OE could consider the introduction of a pre-employment stage²¹ by engaging Migrant Resource Centres (MRCs).

3. A single website, and a single window, could be introduced jointly by the PEOPA and BE&OE so that potential migrants could go to one place virtually or physically and find all the information about overseas employment there, including medical screening.
4. There is a need to revisit the recruitment process for employment visas directly arranged by prospective migrants. Many Pakistanis working in GCC countries, particularly in Dubai, play a key role in sending visas directly to prospective migrants through their contacts with foreign employers. The processing of a "direct visa" should be made simple and manageable by an intending migrant.
5. The present report reaffirms the vital role that informal channels such as friends and relatives play in the growth and expansion of overseas migration. Better documentation of the entire chain, including the amounts paid for obtaining an employment visa from a Gulf kafeel, can further enhance our understanding of the details of the actual process that enables a move.
6. Trade test centres and travel agents are not eligible to engage in the recruitment business, and some have already been blacklisted. The BE&OE has created a new

policy under which only those trade test centres which conduct the trade test for foreign employment and which comply with the code of conduct and standards set by the BE&OE will be allowed. This policy should be strictly implemented.

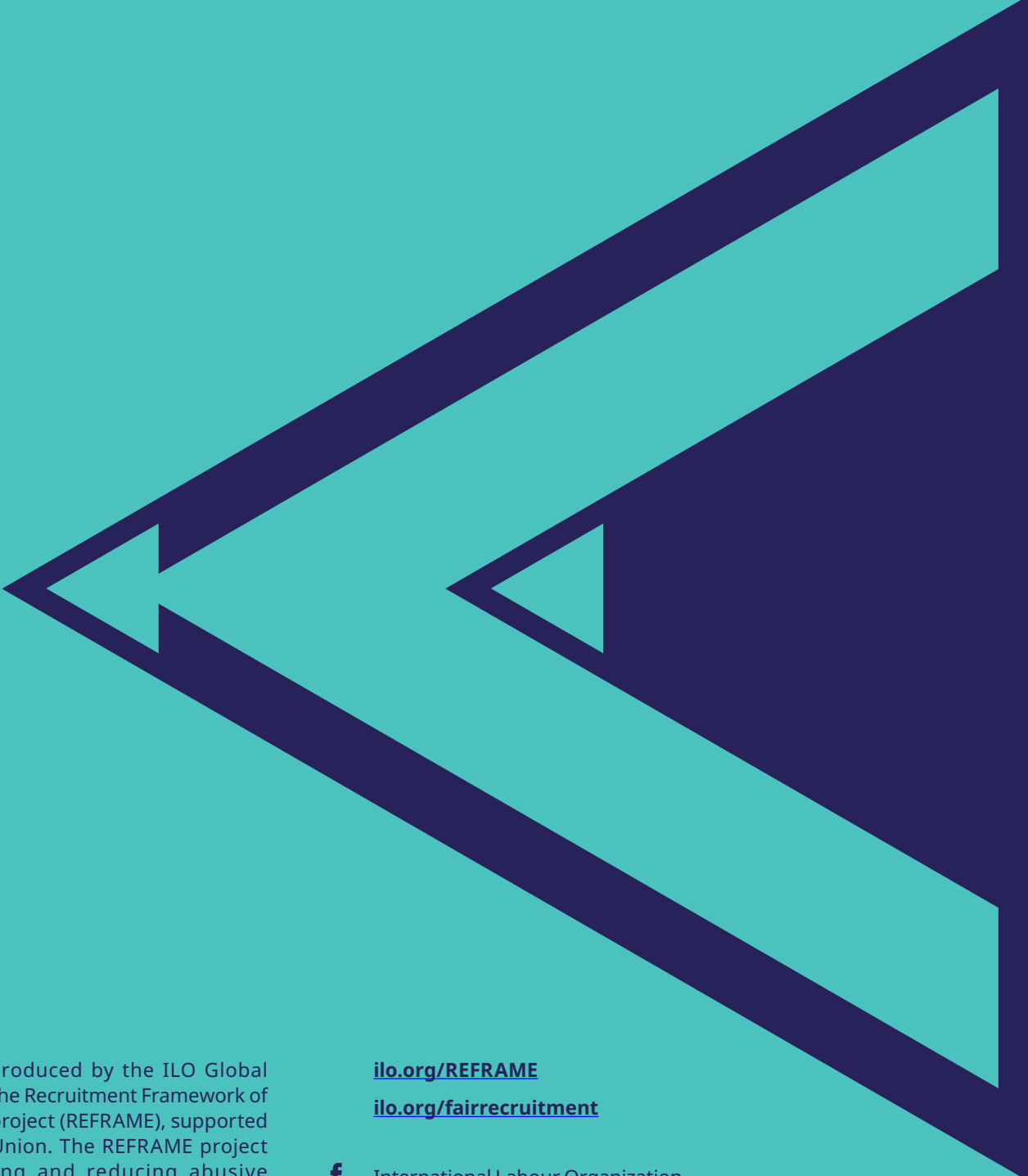
7. The procedure for obtaining a license for recruitment could be simplified, and the information should be clearly available, to facilitate individuals interested in the recruitment business, including intermediaries, in obtaining a license.²²
8. More bilateral agreements could be signed and implemented to curb irregular emigration through intermediaries. This could be facilitated through the OEC, which recently managed the recruitment of workers for the Republic of Korea.
9. Although neither Nepal nor Sri Lanka have been successful in registering sub-agents during the past five to six years, the formal attachment of intermediaries to OEPs in Pakistan could be tested in a few high-migration districts, as a pilot. Both the intermediaries and the relevant OEP would be responsible for any malpractice and could be penalized and sanctioned. This suggestion has not been supported by the regulators and OEPs, but it received the support of intermediaries and several stakeholders. After such an attachment, all transactions should be made through banks and in the name of the OEP who will make the payment to the attached intermediaries. There is no doubt a possibility that the payments made to intermediaries might be charged back to the worker by the OEP. However, an effective monitoring system and awareness among prospective migrants of payment procedures would check such malpractices.
10. Pakistan needs to encourage and incentivize the use of the "employer pays" model to exempt migrants from paying the visa fee and transport costs.

²¹ The term "pre-employment" refers to the stage when a prospective migrant is considering the option of finding a job abroad but has not made a final decision. This stage requires a set of awareness-raising and support interventions, including skills in high demand and legal channels of recruitment, particularly in migrant-dense communities.

²² The procedure for obtaining an OEP license is clearly described on the BE&OE website.

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