RECRUITMENT IN GLOBAL VALUE CHAINS

A global research agenda

ESRC/GCRF STRATEGIC NETWORK ON LEGAL REGULATION OF UNACCEPTABLE FORMS OF WORK

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Unacceptable work: global dialogue / local innovation

The **UN International Labour Organization (ILO)** has called for workers around the world to be protected from **unacceptable forms of work (UFW)**: jobs that "deny fundamental principles and rights at work, put at risk the lives, health, freedom, human dignity and security of workers or keep households in conditions of extreme poverty"[1] This ILO policy agenda responds to the growth in insecure and low paid labour across the global work force. Sustaining productive and protected working lives is among the most pressing challenges of the early twenty-first century. The urgency of this objective was recently confirmed by the inclusion of the Decent Work objective among the **UN Sustainable Development Goals (SDG8).**[2]

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> The Strategic Network identifies and responds to Global Regulatory Challenges: the most urgent and complex issues that face lower-income countries in upgrading or eliminating UFW.
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Effective labour regulation is crucial to securing decent work. Yet the regulatory strategies that can eliminate unacceptable work – most urgently in lower-income countries - have yet to be identified.[3] *The ESRC/GCRF Strategic Network on Legal Regulation of Unacceptable Forms of Work* responds to this urgent need by supporting a dialogue on UFW regulation.

The Network has brought together a **team of researchers and policy-makers from a range of disciplines and from the global North and South.** Network Teams are focused on identifying and responding to Global Regulatory Challenges: the most urgent and complex issues that face lower-income countries in upgrading or eliminating UFW. A set of Challenges have been identified and **Research Agendas** developed to investigate each Challenge through cross-regional comparisons of countries of different income levels.

The global regulatory challenge: recruitment as a gateway to UFW

Recruitment in Global Value Chains (GVCs) – in which production processes extend across multiple countries – has attracted attention in recent years. This is due in particular to the role of recruiters and agencies in **people smuggling and modern slavery**.[4]

Recruitment processes are a key conduit to UFW and have therefore been identified by the Strategic Network as a **Global Regulatory Challenge.**

Yet recruitment – as a **legal process** and as a **trigger to UFW** - demands more targeted investigation, including through a focus on the **global South.**

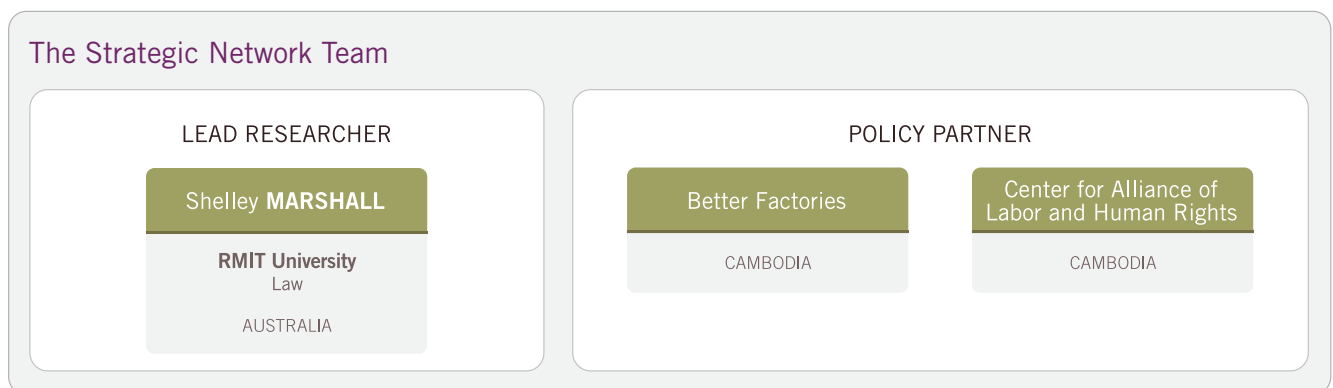## Recruitment in global value chains: a research agenda

During 2017, the Strategic Network on Legal Regulation of Unacceptable Forms of Work was funded by the UK Economic and Social Research Council through the Global Challenges Research Fund to design **Research Agendas** on combating unacceptable work. The purpose of the Research Agendas is to identify the **most effective research strategies** that can (1) illuminate the Global Regulatory Challenges and (2) identify the most effective legal and policy responses.

This **Research Agenda on *Recruitment in Global Value Chains*** outlines a strategy for investigating the influence of hiring practices in shaping the form and quality of employment relationships along GVCs.

1. ILO Towards the ILO centenary: realities, renewal and tripartite commitment (2013); http://www.ilo.org/global/topics/dw4sd/theme-by-policy-outcomes/.
2. http://www.un.org/sustainabledevelopment/sustainable-development-goals/
3. See further Judy Fudge and Deirdre McCann Unacceptable forms of work: a global and comparative study (ILO 2015); Deirdre McCann and Judy Fudge 'Unacceptable forms of work: a multidimensional model' (2017) 156(2) International Labour Review 147-184.
4. ILO Strengthening action to end forced labour (ILO 2014)

The Strategic Network Team

The Research Agenda has been designed by a **Strategic Network Team** that pairs researchers with a key policy actors. The local policy actors have provided advice and guidance on how to achieve innovative regulatory interventions that can offer lessons to the global debates.

The Strategic Network Team

LEAD RESEARCHER	POLICY PARTNER	
Shelley **MARSHALL**	Better Factories	Center for Alliance of Labor and Human Rights
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RESEARCH OBJECTIVES

This Research Agenda is driven by a crucial question: how can recruitment be regulated to *promote* **decent work, rather than being a** *factor* **in generating UFW.** The Agenda proposes a research programme to identify the regulatory strategies that can support and sustain decent work through recruitment to GVCs.

The research aims are:

- to better understand the various ways that **recruitment impacts the likelihood and extent of UFW;** and

- to **design tools to assist regulators and other policy actors** in ensuring that recruitment in GVCs does not contribute to UFW.

The Network Team has identified **key dimensions of recruitment** that are likely to impact the extent of UFW:

- **Worker motivation to be recruited.** When individuals are living in extreme poverty, their choice of work is limited. They are likely to be willing to conduct any form of paid work, regardless of how poor the conditions.

- **Recruiters.** Workers in GVCs are often engaged by intermediaries. Some are employed by the hiring firm. Others are independent agents. Research should seek to ascertain (1) the impact of the nature of the recruiter on the likelihood of UFW and (2) how recruiters can be made transparent, legalised, and regulated.

- **Recruitment procedures and practices of the hiring firm.** The practices of the hiring firm are likely to be particularly important in reducing UFW e.g. checking identity documents to prevent child labour.

- **Debt.** When workers pay a fee to recruiters that places them or their families in debt, this is likely to worsen their conditions of work. Research on recruitment in GVCs should aim to identify the most effective regulatory methods for ensuring that the payment of fees is minimised or eliminated and that it does not result in indentured labour.

- **GVC dynamics.** Where GVC dynamics place downwards pressure on unit value costs, recruitment will be aimed at employing workers at the lowest possible cost. Recruitment will therefore focus on the poorest low-skilled and vulnerable workers.

METHODOLOGY

The research methodology should combine a desk-based **socio-legal analysis** of the relevant regulatory frameworks and an **empirical investigation** of recruitment practices and worker motivations.

The socio-legal analysis would map **legislative and policy frameworks** on recruitment. Empirical methods can then be used to investigate **recruitment practices.**

Central to the research should be an investigation of **recruitment actors,** including recruiters, workers, managers, unionists, and individual workers. A **semi-structured interview strategy** would therefore be useful to investigate the motivations, policies, and practices of these actors, and their awareness and engagement with regulatory standards.

An illustration: Cambodia and Jordan

Comparative research on the operation of regulatory frameworks is crucial to combat UFW and to derive global lessons from innovations at the country level. For this reason, the Strategic Network has concluded that future research should involve **comparisons** of countries at a range of income levels and in different regions.

A comparison on *Recruitment in Global Value Chains* should focus on globally-significant regulatory innovations and a range of country experiences. As an illustration, **Cambodia and Jordan** provide contrasting experiences of regulating GVCs in the **garment sector** that would be revealing for the global debates.

Illustration: Cambodia and Jordan

JORDAN

CAMBODIA

Cambodia has had **significant regulatory success in reducing UFW** in its garment sector, including poor practices associated with recruitment. In the mid-1990s, the low-skilled workers employed in the sector - chiefly young single women from rural villages - were often forced to pay bribes or a 'finder's fee' to so-called 'employment brokers.' Conditions were characterised by UFW: low wages, forced overtime, being locked into the factories, no paid sick leave or holidays.

The ILO/World Bank **Better Factories Cambodia** programme has played an important role in improving recruitment practices. Better Factories checks labour compliance in the factories against Cambodian laws and ILO Conventions, including recruitment practices such as finder's fees,[5] discrimination based on union membership, pregnancy, or gender, and child labour.[6]

Yet in recent years Cambodians are increasingly being recruited for work in neighbouring countries through **new cross-border value chains** (e.g. in construction, fishing, and domestic work). Whereas recruitment in the garment industry has improved, **cross-border recruitment** has become a particularly significant problem.

Jordan is a revealing contrast to Cambodia. Most significantly, labour recruitment to the Jordanian garment industry is **transnational:** 75% of workers in the Jordanian garment industry are migrants, nearly half from Bangladesh. In the mid-2000s, the Jordanian garment sector was exposed as having **highly abusive working conditions** e.g. extreme overtime, confiscated of passports, sexual harassment, and child labour.[7]

These UFW are associated with the migrant labour system in operation in Jordan and the recruitment practices of the agencies that serve as recruiters[8]. Yet addressing these problems involves complex **transnational legal questions** that implicate governments, multiple recruitment agencies, lead firms and buyers.

5. https://betterwork.org/where-we-work/cambodia/
6. Better Factories Cambodia Thirty-third synthesis report on working conditions in Cambodia's garment sector (BFC 2016). See further https://betterwork.org/where-we-work/cambodia/
7. Kevin Kolben 'Dialogic labour regulation in the global supply chain' (2015) 36(33) Michigan Journal of International Law 425.
8. Better Work Jordan Annual report 2017: an industry and compliance review (Better Work Jordan 2017).