



# MIND THE GAP: MIGRANT WORKERS NEED RESPECT FOR RIGHTS, NOT COMMITMENTS ON PAPER

Migrant workers are among those hardest-hit by Covid-19. The worker rights organization Migrant Forum Asia calls for a **justice mechanism** to support the millions of migrant workers who have had their wages withheld. Looking at the **apparel sector** as an example, migrant workers struggle to access food in **Brazil**, face wage theft in **Jordan, Thailand** and the **USA**, and debt bondage in **Japan**. Even migrant workers who have lost their jobs and had their wages retained during the Covid-19 pandemic are **forced to pay off recruitment fees**—another reason why workers urgently need and ask for their wages to be paid. With a focus on recruitment fees, this briefing examines the commitments companies make and the steps they take to ensure that migrant workers’ rights are respected.<sup>1</sup>

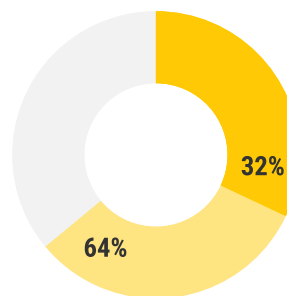
## CASE STUDY 1

### The Apparel Sector and Its Responsible Recruitment Commitment

In spring 2018, **Transparentem**, an NGO focused on investigating labor rights abuses, approached apparel companies with forced labor findings at Malaysian factories. Such findings are not new; the organization also noted that similar findings and mistreatment of migrant workers had already been identified in the Malaysian apparel and footwear sector **ten years earlier**. In October 2018, the American Apparel & Footwear Association and the Fair Labor Association announced a **Commitment to Responsible Recruitment**, signed by more than 100 apparel companies and in 2019 followed up with an action plan on responsible recruitment in Malaysia. As a condition of signing the commitment, signatories agreed to integrate the commitment into their standards by the end of 2019 and to regularly report on implementation.

Far beyond the deadline, what does implementation look like? Looking at **22** of the largest global signatories of the commitment, those assessed by KnowTheChain, progress is patchy: only 14 companies (64%) have integrated the commitment in their supply chain standards—and of those, only half disclosed evidence of implementing the policy in their supply chains.

The apparel sector has set itself targets on responsible recruitment—is it following through?



- Policy prohibiting worker-paid recruitment fees
- Implementation evidence

<sup>1</sup> KnowTheChain’s assessment did not focus on own operations, but on supply chains only, where risks tend to be higher. Research for apparel and footwear companies was conducted through November 2020 or through February 2021, where companies provided **additional disclosure or links**. Information for **food and beverage** and **electronics** companies is based on KnowTheChain’s 2020 benchmarks.

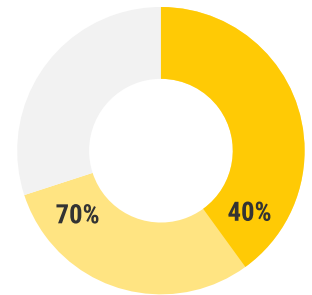
## CASE STUDY 2

# Is the Leadership Group for Responsible Recruitment Stepping Up for Migrant Workers?

In 2016, a group of organizations and companies across sectors formed the [Leadership Group for Responsible Recruitment](#) with the aim of improving conditions for migrant workers by creating demand for responsible recruitment at participating companies and beyond and improving regulations.

KnowTheChain assessed ten of the 15 company members that are operating in the electronics, food, and apparel sectors. Leadership Group companies tend to have stronger practices in place compared to their sector peers (see below). However, their practices fail to meet their own commitments, specifically that “all members of the Leadership Group are publicly committed to the [Employer Pays Principle](#) and its implementation throughout their supply chains.” While all ten companies prohibit worker-paid fees, three companies (30%) did not explicitly include the Employer Pays Principle in their supplier code, i.e., they did not clarify who is responsible for paying the fees associated with recruiting workers. Six companies (60%) failed to disclose evidence of implementation in their supply chains, such as remediation of recruitment fees to supply chain workers and/or a step-by-step process for preventing worker-paid recruitment fees.

## Are 10 Leadership Group members living up to their commitments?



- Employer Pays Principle
- Implementation evidence

## CASE STUDY 3

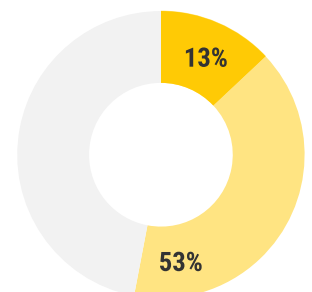
# 180 Companies and 3 Sectors with High-Risk Supply Chains Put to the Test

How seriously are 180 of the largest global companies in three high-risk sectors taking the risks of exploitation of migrant workers? Across the electronics, food, and apparel sectors, KnowTheChain has seen notable increases in the number of companies prohibiting worker-paid recruitment fees in their supply chains since 2018, with more than 50% of companies now disclosing such policies. KnowTheChain has also seen more companies demonstrating implementation of such policies. However, the bar remains far too low: only 23 out of 180 (13%) disclose evidence of implementation.

Companies taking steps to ensure remedy for migrant workers, such as repayment of recruitment fees, let alone prevent exploitative recruitment and employment conditions in their supply chains, remains the exception rather than the rule.

At the minimum, companies must close the gap between their policies and their actions. At a time when millions of migrant workers are in crisis, companies, in particular those committed to supporting migrant workers, must show leadership by using their voice and leverage and work with suppliers to ensure migrant workers receive remedy, such as repayment of recruitment fees and unpaid wages.

## 180 large high-risk companies put to the test



- Policy prohibiting worker-paid recruitment fees
- Implementation evidence

- [Explore Our Findings by Company, Sector, and Region](#)
- [View Recommendations, Case Studies, and Examples of Corporate Practices](#)