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The Bethune House Migrant Women's Refuge
Submission to the Panel on Manpower of the HK Legislative Council
Submitted by Edwina Antonio-Santoyo, Executive Director
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The Bethune House Migrant Women's Refuge is a registered charitable institution established in 1986 to provide temporary shelter, emergency relief and social counseling to foreign domestic workers (FDWs) in distress. It has been a living witness to the thousands of women who are forced to terminate their employment due to contract violations (non-payment and underpayment of wages, long working hours, illegal work, insufficient food, unsuitable accommodation, verbal, physical and sexual abuse) or those terminated for various reasons such as health related issues, recruitment agency and money lending agency problems.

We thank the Panel on Manpower of the HK Legislative Council for giving us the opportunity to speak on the concrete problems related to recruitment agencies that affect the employment conditions of foreign domestic workers in HK.

1. Majority of FDWs have to pass through recruitment agencies to work in HK as a matter of policy of the sending governments like the Philippines and Indonesia. The principal agencies based in HK usually assign job orders to different agencies in the sending countries.
2. In the Philippines, there is a guideline for household service workers which states that they are not required to pay any agency fee. However, in reality applicants are charged from Php85,000 to Php120,000 (HK\$15,740 to HK\$22,000). In Indonesia, it is legal to charge applicants from HK\$15,000 – HK\$21,000
3. In order to pay the placement fees, recruitment agencies arrange for an applicant to apply for a "loan" with a money lending agency payable in several monthly installments to be deposited in a designated banks. Applicants are required to open a current account in a designated bank. Once the cheque books are issued, the applicants are instructed to sign several postdated cheques.
4. Another modus operandi is to pay the "loan" in HK to the money-lending agency to be arranged by the HK -based counterpart agency. Upon arrival in HK, the foreign domestic worker stays in the boarding house of the recruitment agency for 2-3 days. During this period, the recruitment agency will either endorse them to a money-lending agency or they are informed to pay their "loan" either thru 7-Eleven or directly to the HK money-lending agencies, and the terms and amount of monthly installments.
5. Agencies instruct employers to make sure that the FDW religiously pays the loan. To ensure this, employers will open an account for the FDW with an ATM card. The employers deposit the monthly wage but withdraw the money using the ATM card and illegally deduct the monthly payment intended for the "loan". Or the employers automatically deduct the agency fee from their wages and pay the money-lending agency directly.
6. If the FDW refused to allow this arrangement, this would lead to termination of their employment contract.
7. During conciliation meetings and court hearings, FDW often loses their claims for illegal deductions of wages because Labor and tribunal Presiding Officers often treat this as a "personal loan" so it is the responsibility of the FDW to pay them back. The Labor and Tribunal Presiding officers legitimize the collection of payments for the "loan" by the employers on behalf of the recruitment and money-lending agencies.
8. This result to a cycle of debt bondage as the FDWs only work to pay the exorbitant fees that the recruitment agencies charge from each applicant.

9. In this regard, Bethune House recommends for the Legislative Council, through the Panel on Manpower, to:

- A. Strictly monitor, investigate and prosecute agencies that violate the implementation of the 10% policy on placement fee for HK -based employment agencies.
- B. Prosecute employment agencies that arrange foreign domestic workers to take out a "loan" to pay the recruitment fees.
- C. Expand the jurisdiction of the Employment Agencies Administration to cover the connivance of the recruitment agencies, money-lending agencies and the employers. Provide free legal services to victims of overcharging especially those who needs legal representation.