

Submission to the Panel on Manpower of the HK Legislative Council

By the Persatuan BMI Tolak Overcharging (PILAR - United Indonesians Against Overcharging)

12 February 2014

1. Many foreign domestic workers, or FDWs, in Hong Kong are forced by their respective country-of-origin governments to go through private recruitment agencies before getting hired to work in Hong Kong. All are required by law to go through these agencies whether they are newly hired or hired for the first time, with renewed contract or returning with a new employer after a pre-terminated contract. Among all three, only the newly hired ones have to go through their employment agencies in their country of origin before going through the counterpart agency in Hong Kong.

2. It is through this process that many FDWs experience being charged illegal fees by recruitment agencies. By illegal we mean they are being charged more than what the law in either the country-of-origin or Hong Kong allows.

a. FOR NEWLY HIRED. The newly hired Indonesian domestic workers, upon their arrival in Hong Kong, are immediately handed over to their counterpart agency in Hong Kong. Whether upon arrival or in the next day, the newly hired will be brought to a financing agency, forced to take a loan usually amounting to an average of HK\$16,500 and ordered to give a monthly repayment of HK\$2,500 to HK\$3,000 for six months. This loan does not go to the hands of the Indonesian domestic workers.

b. FOR THOSE WITH CONTRACT RENEWAL OR PRE-TERMINATED CONTRACT. Indonesian domestic workers with contract renewal or with pre-terminated contract still have to go through the counterpart agency of their Indonesia-based recruitment agency in Hong Kong. Most agencies charge an agency fee of HK\$6,000-8,000, to be paid either in full or in installment for 2-3 months.

This is a clear violation of the Hong Kong's policy stating that agencies only need to charge a one-time payment of 10% of the minimum allowable wage as agency fee (or HK\$401, with the current MAW of FDWs pegged at HK\$4,010 per month).

c. In addition to the illegal fees, some Hong Kong-based agencies or the employers confiscate the documents of the FDWs for the whole duration of the latter's employment. This is illegal.

3. In this regard, the PILAR recommends to the Legislative Council, through the Panel on Manpower, to:

a. Review the effectiveness of the enforcement by the Employment Agency Administration of the Labor Department of the Hong Kong's policy on agency fees for Hong Kong-based employment agencies.

b. Initiate dialogues with the Labor Department and other relevant government agencies in Hong Kong to address this issue of illegal collection of fees from FDWs as well as other violations committed against the FDWs.

c. Develop a pro-active mechanism that can immediately address complaints of FDWs, like the creation of a hotline that can be easily accessed by FDWs at any time and can serve in various languages to accommodate the FDWs of various nationalities in Hong Kong.

d. Establish connections and/or hold actions or activities in collaboration with migrant organizations or non-governmental organizations working with migrant workers to address the issue of illegal collection. Such actions can be in the form of information sharing, monitoring of cases or complaints filed by FDWs, awareness-raising and/or education, to name a few.

e. Initiate talks about the issue of forced labor and trafficking as illegal collection among many violations committed against FDWs fall within the category of forced labor and trafficking and hence condemned and deemed punishable by international conventions.