

EXPLORING NEW OPPORTUNITIES

13th October, 2017
Mumbai



International
Labour
Organization



Meeting with
Recruitment
Agencies

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List of Abbreviations

ECNR: Emigration Clearance Not Required

ECR: Emigration Clearance Required

FICCI: Federation of Indian Chambers of Commerce and Industry

FIMCA: Federation of Indian Manpower Export Promotion Councils & Associations

FORAI: Federation of Overseas Recruitment Associations of India

GOI: Government of India

GST: Goods and Services Tax

IISC: India International Skilling Centers

ILO: International Labour Organization

MRW: Minimum Referral Wages

MSDE: Ministry of Skill Development and Entrepreneurship

NSDC: National Skill Development Corporation

OESPAAA: Alliance of Asian Associations of Overseas Employment Service Providers

PGE: Protector General of Emigrants

POE: Protector of Emigrants

RA: Recruitment Agent

RPL: Recognition of Prior Learning

Report: Exploring New Opportunities- Meeting with recruitment Agencies

On October 13th, 2017, the Federation of Indian Chambers of Commerce and Industry (FICCI) and the International Labour Organization (ILO) jointly hosted a meeting with Recruitment Agencies (RAs) in Mumbai, India. The meeting was conceptualized as a brainstorming session for exploring opportunities for the Recruitment Industry in India in light of the critical role that they are playing in easing India's unemployment problem and the changing skills eco-system in the country. The meeting provided RAs with a platform to voice some of their concerns with regards to the existing and new policies being considered for implementation, and to deliberate on ways in which they can position themselves better as stake-holders in the changing ecosystem. Members of the two Federations of Recruitment Associations, *the Federation of Overseas Recruitment Associations of India* (FORAI) and *Federation of Indian Manpower Export Promotion Councils & Associations* (FIMCA), along with representatives from the Government of India and state government owned Recruiting Agencies participated in the proceedings.

With the drop in numbers of the ECR category workers by 33% in the last year, it is obvious that the overseas recruitment industry is facing hard times. This Industry has, in the last 40 years, earned a good reputation for India in the Middle East. They have facilitated the recruitment of lakhs of workers who have sent back remittances, which in turn means reduced unemployment and families out of poverty. However, this Industry continues to suffer from a bad reputation because of a few errant agents and there is an ever-tightening of rules by the Government of India which is making it difficult for the agencies to remain competitive in the sub-continent. Changes in destination countries are also impacting the businesses of RAs. Certainly, the Industry is faced with many challenges. Nevertheless, it is felt that RAs are in a unique position of power because of the role they play in matching Indian workers with jobs abroad. Each year, more Indians are joining the labour force than the number of jobs available or being generated in the country. Unemployment is a huge problem for the country and is an issue which will most likely be on top of the political agenda during the 2019 elections. RAs possess critical information about jobs available overseas and can contribute to alleviating the problem of unemployment to some degree. While this should give RAs much greater bargaining power with the government, wielding influence requires greater solidarity. The meeting was dedicated to deliberating on how the RAs can come together and collectively use their position to the advantage of the recruitment industry, and the country at large, as they move forward.

Concerns of Recruitment Associations

On behalf of Recruitment Agencies, representatives from the two federations and one of the state agencies submitted the following points at the meeting:

1. Recruitment Agents are not adequately consulted with in the policy making process even though they are well positioned to voice concerns of both employers and workers. Consequently, unrealistic regulations are imposed on them which not only impact their businesses negatively but also result in Indians securing a smaller slice of the pie of overseas jobs.
2. Minimum Referral Wages (MRWs) were cited as a point of contention
3. It was proposed that the services provided by Recruitment Agencies should be made exempt from the Goods and Services Tax (GST) because the tax is ultimately borne by unemployed individuals
4. For skill development to be integrated with overseas employment- which is something that the NSDC is proposing to do through the 'India International Skilling Centres (IISCs)'- it is important to understand the needs of the clients/overseas employers and design training programmes accordingly.

So far this has not been done effectively. This is where the RAs can contribute because they possess knowledge of employers' requirements and can act as an interface for improving capacity of skilling institutes. Further, the skills acquired at many of these institutes are not recognized in foreign countries. One way forward would be to divide skill development for overseas employment into two sections: short-term courses for semi-skilled work in Gulf countries and separate training for those seeking employment in Europe and other markets.

5. The RAs also put forth that the ease of doing business in India should also reflect in how easily foreign employers are able to hire skills and talent from here.

Building the Image of Recruitment Agencies

On behalf of the Government, Mr. J Sao, Protector of Emigrants, Ministry of External Affairs made some suggestions as to how RAs can improve their reputation. According to him, some of the reasons why RAs have received such bad press include the presence of sub-agents and illegal agents, cases wherein registered agents adopt unethical practices, ECNR recruitment, visa designations/dual salary/contractual violation, overcharging, and a lack of professional practices/documentation in the recruitment business. In view of this, some ways in which RAs can work on their image include:

1. Deeper penetration of Branch offices of licensed RAs in source areas. Currently, the ecosystem for emigration is in big cities like Delhi and Mumbai but the emigrants are concentrated in smaller districts in UP, Bihar, and Rajasthan. This makes it possible for subagents and middle men to take advantage of the geographical divide.
2. RAs should also take up problems of emigrants and establish a mechanism for redressal of their grievances. The image of RAs depends directly on the wellbeing of emigrants.
3. The associations of recruitment agents and the two federations should come out openly against illegal agents and human trafficking.
4. Mandatory pre-departure entry of ECNR emigrants should be done.

Mr. Sao concluded by noting that the performance of RAs can be measured against parameters including the volume of emigration, terms and conditions of employment found, the number of grievances received and resolved, average duration to resolve complaints, compliance to the Emigration Act/rules/GOI statutory, pan India presence, feedback from emigrants and feedback from foreign employers. Perhaps this analysis could be made public as well as an incentive for RAs to improve their performance.

New emerging opportunities for RAs- Engagement with the skilling eco-system

An entire session at this one day meeting was devoted to exploring new avenues for engagement for RAs as the government embarks on its plans to make India the skills capital of the world.

The session began with Dr Maneesh Mishra, Lead, SANKALP, Ministry of Skill Development and Entrepreneurship (MSDE) highlighting some of the challenges and opportunities in skilling for overseas placements. Dr Mishra elaborated on the India International Skilling Centers (IISC) that were launched in July 2016. As part of this, training partners in a number of states have been asked to provide skills trainings for jobs with overseas employment potential by either partnering with recruitment and placement agencies or by providing a proof of demand. The pilot launch of 14 centers has helped the government understand some of the complexities of training for overseas employment and the lessons drawn will be used for drawing up a policy on this issue. Mr. Mishra went on list the ways in which RAs can contribute to making this initiative of the government a success:

1. RAs can provide vital on the ground information on employers' demands for feeding into an International Labour Market Information System.
2. Current requirements of employers and job roles are best understood by RAs and this knowledge can be useful for the development of international qualification standards.
3. Needless to say, RAs can help connect trained individuals with overseas employers and achieve placement outcomes.
4. RAs can also bring employers on the table to contribute towards validation of transnational standards.
5. RAs can partner not only for providing placements linkages but also develop their own training capacity in order to 'backward integrate' – RAs starting new IISCs

Following Dr Mishra's remarks, Mr. Amit Saxena spoke on behalf of Powertrain Overseas Training, and elaborated on a model that they have experimented with in Bihar under their Skill Development Mission to skill people for overseas jobs. He referred to this as the '*Recruit-Train-Deploy Model*' wherein candidates are first recruited and offered conditional offer letters, then trained for the job following which deployment which is the emigration part is done. The training is provided at no cost to the candidates as it is paid for by the government. This is a model that other RAs can consider for working with the government to enhance their business opportunities.

During their interaction with the presenters, the participants brought some issues to the presenters' attention. They pointed out that stringent and difficult government norms about training centers make it difficult for RAs to run these in affiliation with the NSDC. It was suggested that Overseas Recruitment should also have a Sector Skills Council to solve for this problem. The participants also urged the government to consult with them on issues of relevance to ensure that training is aligned with employer needs. Participants also argued that Recognition of Prior Learning (RPL) is something that must be a part of the government's skilling agenda and this is another area where RAs can contribute. Dr Mishra acknowledged these concerns and responded by stating that the government is open to hearing suggestions from all relevant stakeholder, including the RAs, to ensure success for the initiatives to skill and place Indians overseas.

Way Forward

The latter half of the meeting was dedicated to brainstorming about how RAs can move forward collectively as a group and capitalize on their strengths to improve their positioning with the government and public image.

As a first step, the RAs were asked to work in groups to identify some activities that can be undertaken by them for improving their image and enhancing their business opportunities. As part of this exercise they were asked to demarcate whether they can undertake the initiative on their own, or could seek assistance from ILO, FICCI and/or the Government. The suggestions that emerged are listed in the table below:

Issue	RAs	Government	FICCI	ILO
Publicity/ Marketing/Image, brand building	X			
Rebranding of Industry as Human Resource Outsourcing (HRO) sector	X			
Customer Relationship building	X			
Delegations to countries in the Middle East- As a starting point, public RAs can seek to join high level delegations to important destination countries.	X		X	

Meetings with Employers and Chambers of Commerce in Destination countries	X		X	
Regulating ECNR recruitment which currently does not require a license or deregulating the entire industry to provide a level playing field + Making it mandatory for ECNR recruitment to be routed through registered RAs	X	X		
Diversification of destination base: Development of new markets outside the Gulf- for instance, South Korea recruits people extensively from Uzbekistan- However, this would require more bilateral agreements between governments	X	X <i>MEA</i>		
Time bound action plan to solve grievances of registered RAs		X <i>MEA</i>		
Service Industry recognition + Pushing for 'Exporter' status for the Industry given the revenue generated from remittances	X		X	X
Putting in place a mechanism for systematic dissemination of enquiries received from companies in countries of destination		X • <i>Indian Missions and Consulates</i>		X
Job fairs in labour recruiting countries	X	X • <i>Indian Embassies</i> • <i>MEA</i>		
Annual meeting of RAs with labour attaches of all labour importing countries	X	X • <i>MEA</i>		
Legal action to challenge regulations that are deemed unfair	X			
Adoption of a code of conduct	X			
Seeking membership of the Alliance of Asian Associations of Overseas Employment Service Providers (OESPAAA)	X			X
Establishment of a committee for resolution of grievances of emigrants	X	X • <i>PGE, MEA</i>		X
Research/ Projections on job markets	X	X • <i>NSDC</i>	X	
Reconsidering MRWs	X	X • <i>MEA</i>		

Annual Conference of RAs + Regional consultations with the Ministry for discussing region specific issues (For instance, from Hyderabad and Tamil Nadu, most people emigrate to Singapore and Malaysia and face a different set of challenges altogether	X	X	X	X
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Joint Action Plan

Following the brainstorming session, some of the activities that are implementable in the short term were collectively identified for drafting an Action Plan.

Short-term Activities for RAs:

- Increasing their **social media presence** for publicizing the good work done by them in terms of number of jobs matched, and grievances redressed.

Short-term Activities wherein assistance from other actors is required:

- Meeting with the Ministry to submit an outcome report of the Mumbai meeting
- **Report/ Knowledge paper** on contribution of RAs in terms of jobs found, resolution of conflicts with employers, and grievances redressed, followed by a **media event** with the help of ILO and FICCI.
- Looking into the possibility of getting **liability insurance for the recruitment industry**. As a starting point, a study could be commissioned to look at the pros and cons, as well as feasibility of this suggestion which FICCI can help with.
- **Delegation** to the Middle East to meet with government officials/ chambers in destination countries. FICCI might be able to assist with this proposition.
- Seek **membership of OESAPAA** with the help of the ILO

Mid-Term and Long-Term Activities

- Establishment of a **grievance redressal system** wherein problems can be resolved before they reach the media. To do this, the two federations will have to agree on the composition of the committee, work with the PGE and also draft SOPs for when they become liable and can be expected to intervene.
- **Seeking amendments to the Emigration Act, 1983**: RAs to lobby to seek their inclusion in the consultation process for this.
- Engage with the Government to reconsider existing **MRWs**
- Seek inclusion in conversations that the Minister of External Affairs has on a monthly basis as part of the new format of the Pravasi Bharatiya Divas, if the topic of discussion pertains to recruitment.

The meeting concluded with some recommendations for how the two federations should move forward. The participants agreed that it is important for the both federations to resolve their differences to make progress. Further, they proposed that FIMCA and FORAI should try to meet twice a year to find commonalities. To maintain continuity, FICCI and ILO should be invited to these meetings and be kept informed of all updates. The RAs were also urged to participate meetings of FICCI's Taskforce on International Migration and Diaspora wherein a sub-committee on recruitment will be created. One of the participants suggested that direct membership of agencies to the national federation rather than just through their regional associations will help them evolve and become stronger as a group.

Annex I: Agenda

Time	Topic	Presenter / Facilitator
10:30-11:00	Introduction to the meeting and setting the stage Update on current situation – Changing global scenario - inputs from <i>Colombo Process, AAA-OESP, GFMD, ADD</i> Feedback from meetings with GOI Views from State- run Recruitment Agencies	Ms Seeta Sharma, National Coordinator, ILO Presentations : Ms Kanika Malik, FICCI; Mr Sandeep Kapoor, M & S International; Ms Seeta Sharma, ILO RA Federations Public RA representative
11:00-12:45	New emerging opportunities - Engagement with the skills eco-systems Presentation of pilots Challenges and solutions	Panelists: Dr Maneesh Mishra, Lead-SANKALP, MSDE; Mr Amit Saxena, Select Jobs; Facilitator: Ms Natasha Chhabra, FICCI
12:45-13:45	Lunch break	
13:45-14:05	Image building - how do we find the best jobs for Indians and ensure credibility of RAs	Presenter: Mr Sao, Director, POE, MEA
14:05- 14:45	Breakaway sessions (discussions in smaller groups)	
14:45- 15:15	Presentation by groups to the audience	
15:15 -15:30	Tea	
15:30- 16:00	Drafting of a joint action plan and communique	Facilitator : FICCI
16:00- 17:00	Status of existing Federations of Recruitment Agencies: Issues of collective representation and processes	Remarks by RA Federations (FORAI, FIMCA) Facilitated by Ms Seeta Sharma, ILO

Annex II: List of Participants

S. No	Name Of The Member	Designation	Organization
1	A.M. Selvaraj	Proprietor	Tamil Nadu Recruitment Association, FORAI
2	Abdul Rehman C.H.	Haleema Enterprises	President IPEPCIL & Executive Committee Member-FORAI
3	Amit Saxena	CEO	Select Jobs
4	Arif Ali Khan	Treasurer	Export Promotion Council Of Indian Manpower, New Delhi
5	Ashit Mehta		
6	Ashok Mehra		
7	Ben George	CEO	Travancore Recruitment Agents Welfare Association, Thiruvananthapuram
8	Deepak Chhabria	Chairman	Federation Of Indian Manpower Export Promotion Council Of India
9	E.R. Khan	Ex. President-IPEPCIL Al-Jadid Enterprises	IPEPCIL Member
10	J K Sao	Director	Protector Of Emigrants, Mumbai
11	K. Om Prakash	President	Overseas Manpower Recruiters Associations
12	K. Sreenivasan	Vice President	Manpower Exporters Association, FORAI
13	Kamal Sharma	Gulf Exports	IPEPCIL Member
14	Kv Swamy	General Manager	Overseas Manpower Company Andhra Pradesh Limited
15	M.V. Chacko	Jesseena Marine Services Pvt. Ltd.	Committee Member-IPEPCIL
16	Maneesh Mishra	Director	Ministry Of Skill Development & Entrepreneurship
17	Mehmood M. Gheewala	M.Gheewala Global Hr Consultants	IPEPCIL Member
18	Mohammed Siraj Khan	President	Overseas Manpower Recruiters Associations
19	Moulana Mohammed Ibrahim	Melco Management Consultants	Vice President-IPEPCIL
20	N Subbaiyan I.A.S	(Director Of Employment & Training), Managing Director	Omc (Tamil Nadu Ra)
21	Naga Bharathi	General Manager	Telangana Overseas Manpower Company Limited Tomcom-
22	O P Bhardwaj		
23	Qureshi Athar Salim	Shalimar Agency	Executive Committee Member-FORAI & Committee Member-IPEPCIL
24	Raj Sud		
25	Rajesh Bhuriya	President	All Rajasthan Recruiting Agents Vikas Samiti, Jaipur

S. No	Name Of The Member	Designation	Organization
26	Rajesh Krithivasan	CEO	Association Of Overseas Recruiting Agents, Chennai
27	Ramesh Aqil Siddiqui	General Secretary	Association Of Overseas Recruiting Agents/ Travel Craft
28	Rishi Bhatia		
29	S. Shanmuga Raja Raja	Joint Secretary	Association Of Overseas Recruiting Agents/ Universal Overseas Consultants
30	Sandeep Kapoor	Joint Secretary General	The Federation Of Overseas Recruitment Associations Of India (FORAI)
31	Shailendra Nigam (+1)		
32	Sharif Kalimulla Mohiddin	Nooria Enterprises	Treasurer –IPEPCIL
33	Suman Jaitly	Comet International	Jt. Secretary-IPEPCIL
34	Supreeth M. J. (Sandy)	Soundlines Consultancy	Treasurer – FORAI & Committee Member-IPEPCIL
35	Sureshkumar Madhusudhanan	Seagull International	General Secretary –IPEPCIL & FORAI
36	Syed Ghulam Dastgeer	Sahil Travel Services	Committee Member-IPEPCIL
37	V.S. Abdulkareem	Creative Enterprises	Chairman – FORAI
38	Vipul Mehta		
39	Siraj Khan	Al Azam Travels and Tours; OMRA Hyderabad	
40	Devendra Pandey		
41	S Srinivasan	EPCIP/FIMCA	
42	Payal Saini	Synclus	
43	Pooja Vernekar	MEA	
44	Madan Bhatia		
45	Arvind Vakil	Sreenath Associates	
46	K Illangovan	OMCL, Chennai	
47	Raju Sud	Indman	
48	Seeta Sharma	ILO	
49	Natasha Chhabra	FICCI	
50	Kanika Malik	FICCI	