Acknowledgements

This Policy Paper: Solutions to Achieve Fair and Ethical Recruitment and Decent Work of Migrant Workers in Thailand during COVID-19 Recovery has been developed through a robust, multi-stakeholder consultative process on evidence-based policy recommendations held by the International Organization for Migration (IOM) and in collaboration with the Ministry of Labour, the Ministry of Justice, the United Nations Development Programme (UNDP) and the International Labour Organization (ILO) between November 2020 and June 2021. The paper includes consolidated inputs from 78 key stakeholders consulted during the process including representatives from the Royal Thai Government (10), businesses (27), business associations and employers’ organization (8), recruitment agencies (3), international organizations (10), civil society (17), and workers’ organizations (3); and was contributed by amfori, the Institute for Human Rights and Business, and Migrant Forum in Asia.

Objectives

This paper documents the outcomes of the public–private consultations aimed to identify gaps, challenges and opportunities in the design, enforcement and monitoring of policies, processes and procedures related to labour migration for lower-waged migrant workers in Thailand. By doing so, the paper aims to provide the Royal Thai Government with guidance to inform the review, development and implementation of evidence-based policies, processes and procedures that are consistent with its commitments to promote fair and ethical recruitment and decent work for migrant workers. Such commitments are captured in the following global frameworks and inter-state coordination mechanisms for regional consultative processes and initiatives, of which the Royal Thai Government is part:

- Sustainable Development Goals (SDGs), especially SDG 10.7.1 “Recruitment cost borne by employee as a proportion of yearly income earned in country of destination”;
- Global Compact for Safe, Orderly, and Regular Migration (GCM);
- Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime (Bali Process);
- Colombo Process: Regional Consultative Process on Overseas Employment and Contractual Labour for Countries of Origin in Asia;
- The United Nations Guiding Principles on Business and Human Rights (UNGPs);
- National Action Plan on Business and Human Rights (NAP) 2019–2022;
- ASEAN Forum on Migrant Labour (AFML).

This paper is guided by international frameworks and standards including ILO’s International Labour Standards, in particular the Private Employment Agencies Convention, 1997 (No. 181) and the General Principles and Operational Guidelines for Fair Recruitment and Definition of Recruitment Fees and Related Costs, IOM’s IRIS Standard on Ethical Recruitment, the United Nations Guiding Principles on Business and Human Rights (UNGP), the Global Compact for Safe, Orderly, and Regular Migration (GCM), the SDGs, and the Montreal Recommendations on Recruitment (the Montreal Recommendations). The paper consists of four sections: (1) Where does Thailand stand? Outlines progress made and remaining barriers towards achieving fair and ethical recruitment and decent work of migrant workers; (2) Why should the
Government act now? Explains key gains for Thailand from promoting better protection of migrant workers; (3) How can existing obstacles be addressed? Provides recommendations from stakeholders consulted during the development of this paper; and (4) Final Conclusions.

Where does Thailand stand?

According to the Ministry of Labour (MOL), by the end of April 2021, there were approximately 2.2 million registered migrant workers in Thailand – most of whom work in lower-waged industries including construction, manufacturing, agriculture, fishing and services. However, due to complex recruitment processes, many migrant workers travel to Thailand irregularly. As a result, the number of migrant workers is expected to be much higher than that reflected in official statistics. These migrant workers primarily come from Cambodia, Lao People’s Democratic Republic, Myanmar and Viet Nam.

Migrant workers contribute between 4.3 to 6.6 per cent to the Gross Domestic Product (GDP) of Thailand.\(^1\) Despite their vital role in the economic growth of both Thailand and their countries of origin, migrant workers face challenges such as unethical recruitment, excessive recruitment fees, underpayment or non-payment of wages, forced overtime and poor working conditions.\(^2\) These challenges have become ever more critical as the coronavirus disease 2019 (COVID-19) pandemic further increased the vulnerabilities of migrant workers, especially those undocumented, who will play a key role in socioeconomic recovery in Thailand. As Thailand will continue to rely on migration to address labour market shortages, ensuring that fair and ethical recruitment principles are adhered to by all stakeholders is increasingly important.\(^3\)

Commitment to Fair and Ethical Recruitment and Decent Work

In recent years, the Royal Thai Government has introduced several policies and initiatives to enhance fair and ethical recruitment and decent employment for workers, including migrant workers.

The Government of Thailand signed Memoranda of Understanding (MoUs) with the governments in the Greater Mekong Sub-region countries, namely Cambodia (2003, revised in 2015), Lao People’s Democratic Republic (2002), Myanmar (2003, revised in 2016), and Viet Nam (2015) on Cooperation in the Employment of Workers. The MoU channel aims to facilitate safe, orderly and regular labour migration of workers to Thailand. However, as a result of complex and often costly procedures for migrants and employers, the MoUs have not achieved their full potential. As a result, many migrant workers come to Thailand irregularly.

The Government revised the Royal Ordinance Concerning the Management of Employment of Foreign Workers, B.E. 2560 (2017) in 2018 (the Royal Ordinance) – which eliminated worker-borne recruitment service fees in Thailand. This Ordinance complements Thailand’s Labour Protection Act, B.E. 2541 (1998) and its

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amendment, which remains the foundation for protecting the rights of workers including migrant workers in Thailand, except for workers employed in for example, domestic work and short-term agriculture and forestry, where certain rights and entitlements prescribed under Thai labour laws may not be applicable. Although it represents a significant achievement, the Royal Ordinance is not fully aligned with international labour migration frameworks guiding this paper and still allows migrant workers to pay for recruitment-related costs, a shortcoming which consulted stakeholders identified as a key challenge. Moreover, the law enforcement remains a challenge with over half of migrant workers interviewed by ILO in 2020 reporting they had made a payment to a recruitment agency or broker in Thailand despite it being prohibited by the Royal Ordinance.⁴

In 2019, Thailand was the first country in Asia to adopt the National Action Plan (NAP) on Business and Human Rights (B+HR) 2019–2022, reaffirming its commitment to the UNGP. The NAP outlines how the United Nations Guiding Principles on Business and Human Rights (UNGP)⁵ will be applied in Thailand, as well as mandatory and voluntary measures for the Government and business to implement fair and ethical recruitment, decent work standards, grievances and remedies. Section Two of the NAP’s Action Plan on Labour states that “State enterprises and the business sector that use migrant workers should be responsible for the costs of recruiting labour and other expenses in accordance with the Employer Pays Principle.”⁶ However, because of the COVID-19 pandemic, the NAP rollout has been delayed. Moreover, Cabinet Decisions from 4 August 2020 and 29 December 2020 allowing different groups of migrant workers residing in Thailand to regularize and extend their stay and work permits required migrants undergoing the process to pay for recruitment related fees, such as medical check-up costs or work permit extension fees, which is not in accordance with the Employer Pays Principle.

While Thailand is a party to a six out of eight fundamental ILO conventions, the country is yet to ratify the remaining two conventions, namely the Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87) and the Right to Organize and Collective Bargaining Convention, 1949 (No. 98). Non-ratification of the two conventions remains a key obstacle in ensuring that all workers, including migrant workers can fully exercise their labour rights.

Moreover, Thailand is also one of the 27 champion countries of the GCM, thereby committed to advocate for its implementation. Among the objectives of the GCM, Objective 6 recognizes the need to “facilitate fair and ethical recruitment and safeguard conditions that ensure decent work.”

In addition, Thailand is also part of the Colombo Process: Regional Consultative Process on Overseas Employment and Contractual Labour for Countries of Origin in Asia, which provides a non-binding environment for State parties to engage in dialogue and cooperation on issues related to labour migration, including a specific thematic priority area on fostering ethical

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What Regulatory Barriers Prevent Progress on the Fair and Ethical Recruitment Agenda in Thailand?

Stakeholders consulted during the national consultation identified several regulatory challenges to comply with Thai law and international standards, including:

1. **Lack of clear guidance on the resumption of cross-border recruitment and migrant worker employment during COVID-19**

One of the main challenges raised by the stakeholders, especially businesses, recruitment agencies and civil society, is the lack of guidelines and publicly available plans on the management of recruitment resumption post COVID-19. This includes the requirements for quarantine, travel arrangements, COVID-19 vaccinations and tests, as well as on who should cover these costs. Inconsistencies between processes in Thailand and in countries of origin also pose additional barriers for migrant workers, businesses and recruitment agencies to understand and comply with the required processes. This is especially true for migrant workers, where information was not available in their languages. Businesses also raised the issue of insufficient and slow guidance on the extension of work and stay permits for migrant workers in Thailand, including those whose documents have expired, as well as lack of standardized extension procedures in different provinces.

2. **Lack of a definition of recruitment fees and related costs**

A challenge raised by businesses and recruitment agencies is the lack of definition of what constitutes ‘recruitment fees and related

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costs’ in the Royal Ordinance, although this definition is provided in the ILO’s General Principles. In addition, the “Rates of Fees” section in the Royal Ordinance lists several recruitment-related fees such as work permits fees, which however do not cover all costs that migrants being recruited into Thailand must pay.

Section 49 of the Royal Ordinance also stipulates that certain fee items including passports, health checks, work permits and other relevant costs as prescribed by the Director-General are to be borne by migrant workers. If the employer has advanced these costs, the Royal Ordinance stipulates that they can be deducted from the migrant workers’ wages, overtime pay, weekly rest day pay or weekly rest day overtime pay, at a rate not exceeding 10 per cent of the migrant workers’ monthly salary.\(^\text{11}\)

According to ILO’s principles Part II, “workers shall not be charged directly or indirectly, in whole or in part, any fees or related costs for their recruitment” in the countries of destination or origin.

As such, the Royal Ordinance provisions on recruitment fees and migration related costs are inconsistent with ILO’s Principles and IOM’s IRIS Standard on Ethical Recruitment, and jeopardize the Government’s efforts to act on its commitments to promote the Employer Pays Principle under the NAP, as well as to promote fair and ethical recruitment and decent employment under the regional and global initiatives listed in this Paper – and of which the Government is part.

3. Regional and global legislative alignment

Stakeholders have also emphasized the importance of aligning recruitment and employment legislation in both Thailand and countries of origin with international standards. Principle 23 of the UNGP clearly underlines that businesses need to respect internationally recognized human rights standards wherever they operate.\(^\text{12}\) Adhering to both international standards and Thai law when there are potential contradictions between them is a challenge that some businesses, especially those operating in international supply chains, face. For example, currently companies cannot comply with international labour standards on the freedom of association, since according to Thai law, migrants are not allowed to form unions, but only to join them. Harmonization of Thai law with international standards would eliminate some of these obstacles and help with Thailand’s socioeconomic recovery by making it more attractive for foreign businesses to conduct businesses in Thailand.

4. Streamlining recruitment processes and management of timely, accurate and disaggregated migration data across Government ministries

Employers and recruiters have also stressed that they must undergo different, complex and time-consuming procedures to formally recruit, register, hire and support migrant workers following the MoUs between Thailand and the respective countries of origin. They identified several procedures of the MOL, Ministry of Foreign Affairs (MoFA), Ministry of Social Development and Human Security (MSDHS) and Ministry of Public Health (MPH) among other

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Government agencies that need to be completed to hire migrant workers.

The different procedures also result in a lack of consolidated data on migrant workers across relevant Government ministries and agencies including the National Statistics Office, which prevents evidence-based policy-making. Stakeholders stressed that the management of data across different ministries must be streamlined and that relevant information on migrant workers such as past work experience and skills should be made easily available to both employers and recruiters and in alignment with international standards on data privacy and security.

5. Incentives to encourage compliance with responsible business conduct and other financial considerations

The Rights and Liberties Protection Department (RLPD) of the MOJ awards an annual Human Rights Award to state enterprises, private businesses or non-profit organizations selected as model organizations for protecting the human rights of workers, including migrant workers, in their companies and supply chains. However, recruiters are not aware that they are also eligible to apply for this award, meaning that efforts of responsible recruiters are currently not officially recognized.

Consulted stakeholders would welcome financial and regulatory incentives, such as tax deductions for businesses and recruiters with high standards in human rights conduct, including in relation to fair and ethical recruitment and decent work of migrant workers.

Stakeholders also pointed out that the requirement established by the Royal Ordinance (Section 28) for recruiters to place a security bond of 5 million Thai Baht (THB) before being granted permission to recruit and hire migrant workers, which was envisaged as a protective measure to ensure accountability of recruiters before the Thai law, in practice often deters some recruiters from registering their business and leads to operating without the Government’s authorization. Moreover, migrant workers indicated that with the bond being underutilized as a source of funding for remedy in cases of violations of migrant workers’ rights, the protection offered by this requirement has not lived up to the migrants’ expectations.

6. Limited understanding of Thai law

Businesses and recruitment agencies stated that they have limited understanding of how Thai law applies to migrant workers, and what obligations and responsibilities the law entails for both employers and recruiters. Consulted stakeholders pointed a lack of Government’s guidance on how employers and recruiters can comply with fair and ethical recruitment standards under Thai law, including the Royal Ordinance. Stakeholders also highlighted a lack of clear and comprehensive guidance on the regularization process of irregular migrant workers and the management of migrant workers in compliance with COVID-19 health protocols. Information regarding the regularization process was also not available in languages of migrant workers, and administrative costs remains high for migrant workers; therefore, can prompt migrant workers to opt out from the process.

In addition, guidance on how to interpret and apply the different laws that apply to workers, including migrant workers, is needed. The Thai Government could provide such guidance through booklets or trainings for businesses and recruiters.

Migrants can be particularly vulnerable to child labour, forced labour and human trafficking. Safe and regular migration can help tackle these
human rights violations and abuses. The COVID-19 pandemic disproportionately affected migrant workers who were exposed to the rising levels of discrimination and xenophobia, food insecurity, layoffs, worsening working conditions including reduction or non-payment of wages, cramped or inadequate living conditions, and increased restrictions on movement.

In IOM’s rapid assessments, in January 2021, 63 per cent of respondents reported insufficient income as the greatest challenge for non-Thai nationals, with many unable to access basic needs including adequate food, water, electricity, shelter, education and medical care, including personal protective equipment (PPE).

Thailand is a major destination country, hosting nearly half of all migrant workers in Association of Southeast Asian Nations (ASEAN); therefore, the protection of migrant workers is key to achieving equality and social justice, and thus the realization of the SDGs in the country. The findings of the 2021 Trafficking in Persons Report reflect the danger of falling behind on the achievements of the Royal Thai Government and highlight the need for immediate action to ensure the well-being and protection of migrant workers.

While the COVID-19 pandemic created major disruptions, it also provided an opportunity to build back better. Ensuring that migrant workers are protected will contribute to:

**Strengthening Thailand’s Socioeconomic Recovery from COVID-19**

In the first quarter of 2021, Thailand experienced one of the steepest contractions among the ASEAN Member States: a 2.6 per cent drop in GDP in the first quarter of 2021, following a 6.1 per cent drop in GDP in 2020. Thailand’s economic recovery is expected to accelerate in 2022, with the annual GDP growth rate projected to rise to 5.1 per cent.

Promoting safe, orderly and regular labour migration will facilitate addressing challenges facing migrant workers and promoting their well-being and safety; it will also ensure that Thailand’s economic recovery is fueled by a migrant workforce whose rights are protected and respected.

**Advancing International Commitments and Demonstrating Leadership**

To continue assuming a regional leadership role, the Royal Thai Government must ensure that its commitments to the frameworks listed in this Paper translate into action.

Addressing challenges identified in this Paper will help the Government to report on its achievements to promote fair and ethical

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recruitment, and decent work during the upcoming forums, including:

1. The International Migration Review Forum 2022 – the main intergovernmental global platform to discuss and share progress on the implementation of all aspects of the GCM;
2. The 2022 Asia Pacific Forum on Sustainable Development;
3. The Thematic Area Working Group on Fostering Ethical Recruitment Practices under the Colombo Process;
4. The 2022 Government and Business Forum under the Bali Process;
5. The Migration Governance Indicators (MGI);
6. The ASEAN Forum on Migrant Labour (AFML).

Remaining Competitive in the Global Market

In March 2021, the European Parliament voted in favour of introducing new legislation on Environmental and Human Rights Diligence, which would oblige companies in the European Union to conduct environmental and human rights due diligence within their value chains. Several other countries already have similar legislation in place such as the United Kingdom’s Modern Slavery Act 2015, France’s Corporate Duty of Vigilance Law 2017, and Australia’s Modern Slavery Act 2018.

Thai businesses with international partners and consumers are thus increasingly required to comply with international human rights standards including fair and ethical recruitment and decent work. As such, aligning national legislation with international standards would improve the status of Thai businesses in the global arena. This will enable Thailand to continue its economic growth, remain competitive in the global economy and adapt to changing international market conditions and business trends.

How Can Existing Obstacles be Addressed?

The recommendations presented to the Royal Thai Government in this Paper come from consulted stakeholders, including private sector, civil society, workers’ organization, and the UN agencies, and build on their ongoing advocacy efforts. These recommendations are in line with the recommendations from the 14th ASEAN Forum on Labour Migration endorsed by ASEAN Member States. They are designed to support the fulfillment of the Governments’ commitments under the frameworks referenced in this Paper.

In the long-term, it is advisable for the Government to fully align with these frameworks. However, based on the consultations carried out, in the immediate term, the Royal Thai Government is recommended, through the MOL to:

1. Eliminate or significantly reduce government-regulated recruitment fees and related costs borne by workers, such as costs for visas, passports, and other administrative requirements for migration.
2. Develop, enforce and monitor supplementary ministerial regulations to complement the Royal Ordinance by adding the following items:
   2.1. Definition of “recruitment fees and related costs”, and the party responsible for covering these costs as well as an updated comprehensive list of costs paid by migrant workers recruited into Thailand, in line with ILO’s Definition on Recruitment Fees and Related Costs and IOM’s IRIS Standard on Ethical Recruitment;

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2.2. Instructions to clarify institutional responsibilities of recruiters in relation to access to grievance mechanisms, changing employers, providing on-site workforce management support and facilitating safe returns.

3. Develop in a participatory manner, and enforce and monitor guidance for recruiters and businesses on the resumption of cross-border recruitment during and in the aftermath of COVID-19, including:

3.1. Guidance on costs, procedures and party responsible for processes related to COVID-19 health protocols, such as staying in quarantine facilities, COVID-19 tests, COVID-19 vaccinations, and transportation from the border to quarantine facilities, worksites or workers’ accommodation. The Guidance should be consistent with the ILO’s General Principles and IOM’s IRIS Standard on Ethical Recruitment; and comply with current health protocols to ensure decent living conditions and avoid further spread of COVID-19;

3.2. Support programmes to small and medium enterprises (SMEs) unable to cover additional COVID-19 related costs when resuming recruitment;

3.3. Reassurance that the additional COVID-19 related recruitment fees and costs will not be borne by migrant workers.

4. Evaluate the feasibility of developing and maintaining an online information hub for employers, recruitment agencies, and migrant workers that contains:

4.1. Relevant legislation governing recruitment and employment issues in Thailand, and relevant policy updates;

4.2. Guidelines on Thai labour laws and procedures on recruitment and employment and how to adhere to them, with a clear delineation of which rules apply to Thai workers only, which to migrant workers only and which to both;

4.3. Information on international standards, human rights due diligence requirements and potential trade sanctions, especially from relevant export markets.

4.4. Guidelines for employers of migrant workers on the steps that need to be taken to establish grievance mechanisms in the workplace;

4.5. Examples of good practices related to fair and ethical recruitment and decent work;

4.6. Information on government policies, safe migration and services to which migrant workers are entitled to, for example through www.mitrthai.com, including access to social security coverage, grievance mechanisms, and return and reintegration support. All information should be provided in a clear and simple manner and available in Thai as well as in languages understood by the migrant workers in Thailand.

5. Consider introducing a ranking system and incentives for recruiters and employers, including rewards such as the following: (a) Human Rights Reward for model recruitment agencies and employers that excel in recruitment and employment practices (b) fast-tracked visa or work permit applications for licence-holding recruiters and employers that demonstrate regular compliance; (c) reduced reporting requirements; and (d) access to tax incentives and/or business loans.

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20 On July 2020, the Royal Thai Government announced plans for the resumption of MOU recruitment. Employers are required to cover the costs of COVID-19 tests and 14-day quarantines, which would cost THB 13,200–19,300 per migrant worker. For more information, see: www.doe.go.th.
6. **Facilitate the introduction of information-sharing protocols between relevant departments (MOL, MOJ, MFA, MSDHS, MoPH, and the National Statistics Office) and levels of government to streamline recruitment and employment procedures via:**

6.1. Developing a consolidated database of migrant workers’ information across all relevant Government ministries to facilitate a more streamlined data management system consistent with international standards on data security and respect for migrant workers’ right to privacy;
6.2. Establishing a One-Stop Service Centre for employers that involves all relevant ministries, to facilitate simple and fast recruitment and employment processes.

7. **Enhance social protection for all migrant workers including workers employed in the informal sector or seasonal employment** by granting access to social security coverage to these workers. Basic health care and COVID-19 vaccines should also be accessible to all workers free of charge, regardless of their migration status.

8. **Provide effective and prompt remediation for migrant workers where harm has occurred, including legal services in their languages.** Fear of sanctions for immigration violations should be delinked from access to grievances and health concerns of migrant workers; thus, the Royal Thai Government should consider providing migrant workers with a moratorium on sanctions for irregular migrant workers during the COVID-19 pandemic.

9. **Evaluate the effectiveness of requiring recruitment license holders to deposit a financial security (THB 5 million) to ensure:**

9.1. Commitment to good behaviour, with bonds as an effective tool used in case a compensation is awarded against recruiters in civil claims, instead of a deterrent from formally registering the recruitment agencies’ business.
9.2. Facilitating migrant workers’ access to effective remedy, especially when the bond is expected to be used as a source of financial compensation to migrant workers for labour and human rights’ violations.

10. **Continue conducting multi-stakeholder consultative processes to review and amend relevant laws and regulations.** The consultative process should be led by the Royal Thai Government and involve workers’ organizations, civil society, local businesses, business associations, recruitment agencies, and international organizations to ensure multi-stakeholder collaboration and awareness of changes to laws, policies and procedures.

11. **Facilitate cross-border collaboration between Thailand and countries of origin to:**

11.1. Eliminate or significantly reduce the government-regulated recruitment fees borne by workers, such as fees for visas, passports, and other administrative requirements for migration in the countries of origin.
11.2. Include provisions requiring employers to pay the full recruitment fees and related costs in the future review of MOU, which is regulated by the government, and stipulating that workers cannot be charged these costs.
11.3. Strengthen monitoring of recruitment processes through increased coordination between the Department of Labour Protection and Welfare - responsible for labour inspection - and Department of Employment - responsible for recruitment legislation - to ensure that the labour inspection methodology is in line with existing recruitment
legislation; require labour inspectors to monitor recruitment practices, including the payment of recruitment fees and related costs by migrant workers.

11.4. Ensure that migrant workers are clearly informed about their rights and protections in the jurisdiction of employment and how to access assistance and grievance mechanisms for recruitment and labour rights violations.

11.5. Develop mechanisms that would allow conducting joint investigations into labour recruiters, considering which authority has the strongest intelligence and consequently the best chance of success in prosecuting the offender.

11.6. Ensure grievance mechanisms are accessible to migrant workers across jurisdictions, which could include enabling migrants to seek compensation from their recruiter in countries of origin in cases where they have been exploited by their employer in the country of destination.

The multi-stakeholder consultative processes that have led to the development of this policy paper have reaffirmed the value of involving all stakeholders in the development and amendment of laws to align with international standards. The process has highlighted that no actor can do so alone and identified opportunities for the Royal Thai Government to closely collaborate with stakeholders including businesses, business associations, recruitment agencies, workers’ organizations, civil society and development partners.

The recommendations in this paper present an opportunity for all stakeholders to work together to advance the protection of the rights of migrant workers consistent with international standards including the Sustainable Development Goals; the Global Compact for Safe, Orderly, and Regular Migration; the UN Guiding Principles for Business and Human Rights; and ILO conventions.

Progressing towards fair and ethical recruitment and decent work is vital for Thailand’s socioeconomic recovery from the COVID-19 pandemic. It is essential that the Royal Thai Government takes the necessary steps to implement the recommendations of the consulted stakeholders to enhance the protection of the rights of migrant workers.