

Fair Employment Foundation



fairgroup.org



The Care Economy
Knowledge Hub

the-care-economy-knowledge-hub.org

Profiling Businesses in the Care Economy

The care economy consists of paid and unpaid labor and services that support caregiving in all its forms. In Africa, Asia and Latin America, women spend between three to five times as many hours on unpaid care and domestic work as men. This represents 80 percent of a household's total hours devoted to unpaid care work.

Care economy businesses can help recognize, redistribute, reduce and reward – also known as the 4 Rs – unpaid and paid care and domestic work in the following ways:



Recognize: Initiatives that increase visibility and recognition of paid and unpaid care and domestic activity as "productive" work that creates real value and contributes to economies and societies.



Redistribute: Services and initiatives that redistribute care work from individuals to public and private sector entities, and redistribute care and domestic work within the household.



Reduce: Products and initiatives that reduce the time spent on and burden of unpaid care and domestic work.

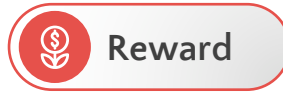


Reward: Products, services and initiatives that ensure that care and domestic workers are paid fairly and have professional growth potential. This provides them with financial reward and security.

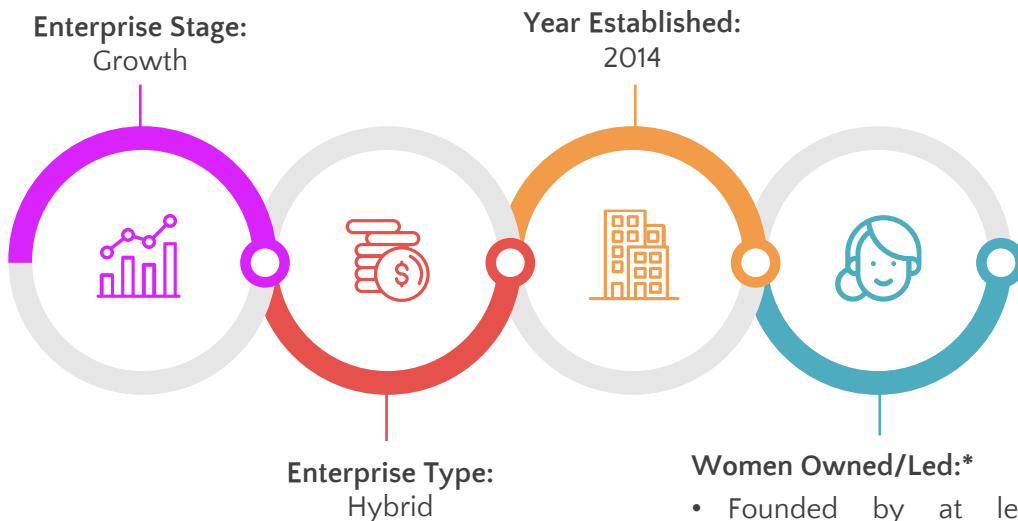
The Care Economy Knowledge Hub aims to address the knowledge gap around care businesses by showcasing various business models and creating a resource base for relevant stakeholders. It also aims to raise awareness and increase knowledge of the state of impact-driven care economy business models and attract a broad range of funders to invest in care economy solutions by showcasing opportunities. These business profiles are intended to showcase said potential investment opportunities. They have been created from information and data provided by the business itself.

This project is supported by Canada's International Development Research Center, in partnership with the Soros Economic Development Fund at the Open Society Foundations. Building on their track record and commitment to transforming the care economy and mobilizing finance for gender equality, they have jointly launched this action research program to help transform the care economy through impact business and investment.

Executive Summary



Fair Employment Foundation (FEF) works to end the forced labor of migrant workers in Asia. Headquartered in Hong Kong, the foundation has set up multiple ventures and models that function under the brand “Fair Group.”¹ FEF supports the ventures through strategy and mission guidance, funds, technical inputs, and management support. In addition, FEF runs a Hong Kong-based employer education program, the Fair Hiring Pledge, to raise awareness about ethical recruitment among corporates. Up till now, FEF has facilitated transparent hiring, safe migration and training of over 6,000 domestic workers. In 2021, FEF’s revenue was US\$ 557,549. FEF has 4 full-time employees.²



Co-Founder’s Contact

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Company Contact

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- Founded by at least one woman.
- At least 30% women in senior leadership (executive level / C-suite positions)

*According to 2X “women entrepreneurship” and “women leadership” criteria; [2X Challenge Criteria](#)

¹ The Fair Group includes a recruitment agency for domestic workers (Fair Employment Agency Limited), a non-profit training center (Fair Employment Training and Assessment Center Inc), an employer education initiative, and an impact investment fund (Honest Jobs Holdings Limited (HJH)). The recruitment agency supports fair and transparent international migration and hiring of domestic workers from Philippines, Thailand, and Indonesia to Hong Kong. In the Philippines, the Foundation operates a non-profit training center that provides training programs for migrant workers. The foundation’s holding entity Honest Jobs facilitates impact investment in institutions that work on fair and transparent recruitment. FEF has a board representation in each of the 3 ventures. The Agency is a non-stock and non-profit in which FEF is the sole member. At the training center, FEF has the super majority controls on strategy, mission and Executive Director. Honest Jobs Holdings is for-profit and limited by shares. It is 100% owned by FEF.

² Fair Group has 27 full-time and 3 part-time employees.

1. About The Enterprise

1.1 Problem

International migration of workers from the Philippines, Indonesia, and Thailand is widespread. As of 2020, over 1.71m Filipino contract workers were working overseas, and 59.6% of those workers were women.³ Women often work as domestic workers in middle-income or high income homes in developed economies such as Hong Kong. These domestic workers frequently use recruitment agencies to find jobs internationally. However, the international recruitment system is highly complex and fragmented. Before migrating, an aspirant migrant domestic worker connects to a sub-recruiter who links the worker to an employment agency against payment of fees. The employment agency partners with another agency in the receiving country and finds a job for the worker for exorbitant fees. This job is often not vetted or matched by the employment agency to ensure the right fit for both the worker and the employer.

Employment agencies collude with private training agencies to get paperwork for the migrant worker certifying skills. This paperwork is often largely fictitious. Often the workers don't receive any training but still have to pay to get the documents. Post-migration and placement at job sites, the workers pay the employment agency in the receiving country. Studies by FEF show that migrant workers generally pay US\$ 1,400- 2,000 to these employment agencies. As the workers don't have money to pay the fees, they often take loans at 40-50% interest annually from moneylenders who have partnerships with employment agencies. This large amount of debt because of the high recruitment fees makes the worker vulnerable to forced labor, trafficking, and debt bondage. Debt bondage affects half of the estimated 16 million victims of forced labor in the private economy globally, and domestic workers make up the largest share (24%) of those in forced labor.⁴ 31% of domestic workers report that they have no choice but to stay with the same employer in order to earn an income, even if there is abuse.⁵

The current system of hiring migrant domestic workers also negatively affects employers, who pay up to US\$ 1,400 to employment agencies to hire (often untrained) workers. Employment agencies profit as employers are charged for poor customer service while workers pay exorbitant fees to secure this work. When a helper is fired or quits, the agency makes more money by charging for replacement workers.

³ Mapa, D. S. (2022, March 7). 2020 Overseas Filipino Workers (Final Results). Philippine Statistics Authority. <https://psa.gov.ph/statistics/survey/labor-and-employment/survey-overseas-philipinos>

⁴ (2017) . Global Estimates on Modern Slavery. International Labor Organization.

⁵ (2016). Modern Slavery in East Asia. Farsight.

1.2 Solution

The solution, branded as “The Fair Model,” addresses the market problems associated with international migrant workers, including workers who work in households, hotels, and institutions. In order to facilitate fair and transparent migration and hiring from Thailand, Indonesia and Philippines to Hong Kong, FEF and its ventures undertake the following:

- **Training of migrant domestic workers:** The training of migrant domestic workers is undertaken by the Fair Training Center, a nonprofit social business in the Philippines. The training is for twelve days and is held online and in person. The training program covers financial education (budgeting, saving, and goal planning), communication (managing difficult situations, problem-solving and professional communication skills), rights education (understanding rights and entitlement, directions to local service organizations), psychosocial preparation (homesickness and managing family relationships), adjusting to life abroad (culture, transport, lifestyle), and domestic work (cleaning, cooking, laundry, using appliances). Upon arriving in Hong Kong, workers remain connected to the Fair Training Center community online through the Fair Training Center Facebook Community, where they access expertise and mentorship programs.
- **Recruitment of migrant domestic workers:** Fair Employment Agency, a non-profit recruitment agency in Hong Kong, facilitates the hiring of Filipino, Indonesian and Thai domestic workers. The agency offers several hiring packages, including overseas full placement of workers that includes matching, vetting, visa processing and other paperwork, direct hire services, and contract renewal. Timely updates are provided throughout the processing period, and the agency follows up with workers and employers post-hiring. Workers are not charged for recruitment at any stage. Employers are provided clarity on the pricing and process upfront.
- **Employer education:** Launched in 2016 to engage and educate corporates and their staff, Fair Hiring Pledge is an agreement between companies and the public stating that the company management expects its employees to hire migrant domestic workers fairly. FEF has engaged with forward-thinking companies, such as Barclays, KPMG, and Thomson Reuters, to sign the pledge. After signing, FEF provides in-house information sessions and management workshops to the employees and partners. The session covers topics such as illegal agency fees, ethical hiring practices, employment contract content, and the Employment Ordinance. At this session, employees can get practical and personal guidance from the Fair experts. FEF also shares an online resource for employers of migrant domestic workers, Get Answers (www.fairagency.org/answers). A wide range of hiring and managing topics are covered on the website, including information about hiring, termination, visas, and others.
- **Impact investment and mentorship:** Honest Jobs Holding Limited, a wholly-owned subsidiary of FEF, invests in and enables other recruitment agencies in Asia that intend to adopt an ethical hiring model adapted from the Fair model. Honest Jobs funds, supports, and mentors entrepreneurs in other countries and industries. In 2021, Honest Jobs made its first investment in Pinkcollar Employment Agency, a Malaysian-based recruitment company.

1.3 Customer Segment

Customer Segment	Product / Service Provided	Paid / Unpaid
Migrant Domestic Workers	<ul style="list-style-type: none"> • Training and a support network: Domestic workers receive training at the Fair Training Center in the Philippines. They also receive support for visa applications and other documents. • Recruitment opportunities: The workers receive placement and contract renewal support. Workers are matched with appropriate employers. 	<p>Unpaid</p> <p>The services are made available to migrant domestic workers free of charge. The FEF provides full-grant support to the training center to run training programs. For this FEF raises external grants and donations.</p>
Employers of migrant domestic workers.	<ul style="list-style-type: none"> • Matched and vetted migrant applicants: Fair Employment Agency recruits, vets and interviews applicants for employers looking to hire. The agency matches workers with employees to ensure the worker matches the need. <p>Timely updates are provided throughout the process of placement.</p>	<p>Paid</p> <p>The employers pay a service fee that varies based on the service provided.</p>
Corporates	<ul style="list-style-type: none"> • In house information sessions and management workshops: The staff of corporates that sign the Fair Hiring Pledge are offered in-house information sessions and management workshops to assist in hiring fairly and improving employer-worker relations. 	<p>Unpaid</p> <p>FEF uses grant funds to support information sessions.</p>
Enterprises	<ul style="list-style-type: none"> • Funds, Support, and Mentoring: Honest Jobs Holdings invests, advises, and supports local entrepreneurs in other markets and countries. 	<p>Unpaid</p> <p>FEF invests in local entrepreneurs through Honest Jobs.</p>

1.4 Team And Governance Structure

FEF has 4 full-time employees,⁶ all of whom are women. These include the Head of Group operations, the Communications Manager, the Finance and Compliance Officer, and the Development Manager.

FEF has 7 board directors that govern and oversee major strategy and directions. 5 of the 7 board members are women. There are independent management boards for the training center, the Honest Jobs holding and the employment agency.

1.5 Enterprise Policies

Policy	Yes / No
Overall HR Policy	Yes
Equal pay for equivalent work policy	Yes
Non-discrimination / Equal employment opportunity / Diversity and inclusion policy (gender, LGBTQ, PWD, etc.)	Yes
Anti bullying and sexual harassment policy / Respectful workplaces	Yes
Whistleblower policy / Employee grievance mechanism	Yes
Maternity / Paternity leave policy	Yes
Safeguarding policies for vulnerable groups (children, elderly, PWDs)	Yes
Safeguarding policies for the environment or to reduce detrimental impact on the environment (covers reducing carbon footprint, reduced water consumption etc.)	No

⁶ There are 30 employees in FEF and its ventures, including 27 full-time and 3 part-time employees. FEF's work is also supported by 7 employees in the training center, and 16 full-time and 3 part-time employees in the employment agency.

2. Impact

2.1 Mission Statement

The Fair Employment Foundation's mission is to build market solutions to end the forced labor of migrant workers across Asia.

2.2 Intended Impact

Fair Employment Foundation's intended impact is directed towards women through two of the four Rs.

- The enterprise **recognizes** migrant domestic workers issues by increasing awareness and understanding around bonded and forced labor. It also promotes behavioral compliances with good employment standards and laws by working closely with corporate and households.
- FEF **rewards** migrant domestic helpers by providing recruitment, training, and a network of support to promote ethical employment opportunities abroad.

2.3 Monitoring And Measurement

FEF tracks data for the comprehensive Fair model that includes all ventures seeded by it. It measures progress based on services offered by the individual entities and impact at the higher level. Internal metrics tracked every month are:

- Number of migrants workers recruited
- Job satisfaction rates of employers and workers through surveys and anecdotal stories
- Percentage of workers terminated by the employers
- Number of domestic workers trained
- Number of companies that are signatories of the Fair Hiring Pledge
- Number of people attending Fair Hiring Pledge events
- Monthly page views of the Get Answers Portal
- Number of local entrepreneurs invested in - and amount invested

FEF tracks 2 higher level outcomes at the individual domestic worker level and the market level.

- **Reduction or elimination of placement fees:** At the workers' level, FEF considers the fees saved by workers who have been placed by the Fair Employment agency. To do this, FEF

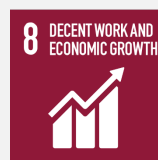
takes the lowest historical average fee paid by a worker (US\$ 700) and multiplies it by the number of placements made by the agency (5,000+). At the market level, FEF collects data on changes in placement fees over a period of time in geography. For example, placement fees by workers in the Philippines in 2013 are compared to placement fees by workers in the Philippines in 2019.

- **Stable employment:** At the worker's level, FEF measures the reduction in termination rates of domestic workers 3 months after the worker is placed. At the market level, FEF tracks the percentage change in contract renewals in Hong Kong to arrive at retention rates of employees.

2.4 Results To Date

- 6,000+ workers placed into jobs fairly in Hong Kong.
- 750+ domestic workers trained in Philippines
- 23 Companies signed the Fair Hiring Pledge, 2,500+ people educated at Fair Hiring Pledge events and 75% found the sessions conducted added considerable new information on hiring fairly
- Fair Training Center described to be the Gold Standard for pre-migration training by the International Labor Organization - Philippines
- Fair Employment Agency listed among Top 5 Biggest agencies in Hong Kong for Filipino domestic work as 90% of Employers would recommend Fair Agency to a friend, and 95% of Workers report job-satisfaction
- Estimated US\$ 15m in agency fees eliminated annually as employers are charged more and fees paid by workers decreased.
- Termination rates of trainees in the first 3 months of work is below 10%, compared to industry standard of 35-40%

Fair Employment Foundation's work is aligned with the following Sustainable Development Goals (SDGs):



3. Financials

3.1 Financial Status

The Fair Employment Foundation is a non-profit enterprise.⁷

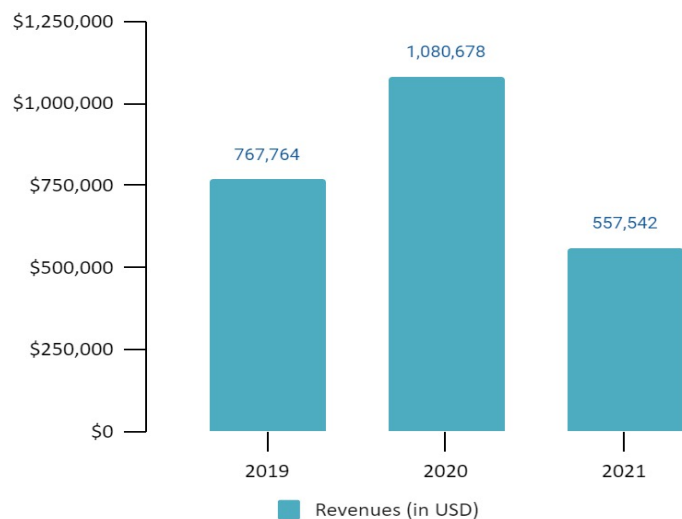
(Amounts in US\$)	FY 2019	FY 2020	FY2021
Total Revenue	767,764	1,080,678	557,542
Total Expenses	647,512	819,525	569,045
EBITDA OR Profit/ Loss	120,252	261,153	(11,503)
EBITDA Margin	16%	24%	(2%)

3.1.1 Revenue Streams

FEF's only income stream is grants and donations. The grant funds are used by FEF to support the training center, Agency, Honest Jobs and Employer Education.

The revenue streams differ among each entity of the Fair Group. The Fair Employment Agency is a revenue generating unit, and operates using fees from placement of workers. 96% of Fair Employment Agency revenue is from the service fees.

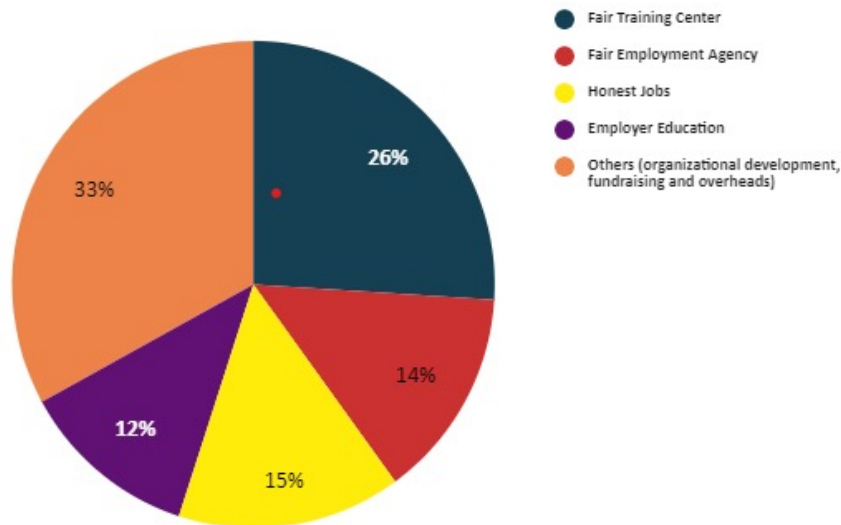
Past revenues of FEF



⁷ The Fair Training Center is a non-profit and intends to be financially sustainable through grants. The Fair Employment Agency aims to be financially sustainable in the next 3 years. Honest Job Holding intends to be profitable in the next 5 years.

3.1.2 Expenses

The following pie-chart displays FEF's main expenses in the year 2021. Majority of FEF's expenditure is on supporting other interventions and institutions. It does so through grants, donations and debt.



3.2 External Funding Sources (Past and Current)

Sources of grants for FEF include organizations such as Global Fund to End Modern Slavery, which awarded it US\$ 284,062 in 2018 for 2.5 years. Other funders include: Macquarie Group Foundation, which provided funds for employer engagement; Peery Foundation, which provided funds for technology and scaling up; and Goldman Sachs Gives, which provided startup funds. FEF has also received donations from high-net-worth individuals in Hong Kong. In 2021, the Working Capital Innovation Fund invested US\$ 500,000 in debt in Honest Jobs Holding Ltd.

3.3 Challenges Faced In Accessing Capital

- **Mission-focused funding to scale:** Ethical recruitment of migrant workers is not a well recognised or understood issue in the impact investment space. It is therefore a niche market for investors. While the Fair model is a global idea, it has to be adapted to each country. From a financial perspective, such investments would not be an attractive risk-adjusted return for most investors. But to build a new market standard, there needs to be mission-focused funding at the outset.

4. Path To Scalability

4.1 Potential Avenues For Growth

The Fair Employment Foundation intends to focus on the following avenues of growth in the next five years.

- **Expansion to new geography and customer segments:** Fair Group plans to establish and grow its Indonesian market share and focus on the elderly care segment. There is large-scale migration of Indonesian workers to Hong Kong.⁸ It is estimated that Indonesian workers represent almost 44% of migrant domestic workers in Hong Kong and are critical elder care service providers. However, these workers face extreme exploitation and do not have the option of fair and ethical placement services. The group plans to increase the placement of Indonesian domestic workers. It has received a license from the Indonesian Consulate to undertake placements. FEF also intends to strengthen the employer education program to create in-roads in the Indonesian workers placement sector. Through employer education, FEF will gather more information on elderly care needs of employers.
- **Expansion of training practices:** The group intends to standardize the pre-departure first-time migrant worker's training in Philippines through a partnership with Philippines's Technical Education and Skills Development Authority (TESDA), International Labor Organization (ILO), and other recruitment agencies. The training center has demonstrated hybrid training programs to TESDA and ILO who have shown interest in program replication within the country. The training center intends to do so by (i) offering online training programs to applicants from other agencies, and (ii) serving as an innovation hub that workers could use to gain skills and information, such as living overseas, before they migrate.
- **Invest and mentor other recruitment agencies through Honest Jobs Holdings:** Through Honest Jobs, the FEF plans to provide flexible funding and mentorship to local entrepreneurship that works on ethical recruitment in Asia. By working in the international market, FEF plans to create a network of ethical recruitment firms across Asia, able to supply labor across various corridors. In the next 5 years, the organization plans to work with global employers and brands on their migrant recruitment needs.

⁸ Cheung, Ian. (2017). Who Is Responsible for Hong Kong's Invisible Migrant Workers? <https://www.csis.org/nfpf/who-responsible-hong-kongs-invisible-migrant-workers>.

4.2 Risks And Challenges

- **Low price charged by the competitors:** The Fair Employment Agency charges middle-range placement fees from employers for the migration costs of the domestic workers. However, there are other employment agencies that charge less from the employers and instead ask the workers to shoulder the cost.

4.3 COVID-19 Impact On The Enterprise

- In-person classes could not be held during the lockdown. The Training Center had to largely move its programs online during the pandemic. However, this also gave the group a chance to pilot hybrid training models and advocate it to be adopted by the government.
- The Fair Employment Agency also experienced months of low placements of migrant domestic workers due to travel bans when workers could not come to Hong Kong. Even though there was high demand for workers, the supply of overseas workers was reduced.
- At the Fair Employment Agency, employers that are recruiting migrant workers only pay once they receive workers. This was a cash flow difficulty during COVID when workers could not be placed due to restrictions.

4.4 Support Received To Date

- Individual volunteers have provided legal guidance and technical assistance on the IT infrastructure.
- Volunteers have offered pro-bono training to the trainees on communication skills.
- Volunteers from Hands On Hong Kong have supported outreach to domestic workers.

4.5 Inputs Required For Growth

Financial

- Over the next 5 years, Fair Group will need US\$ 1.8m in order to expand its Indonesian worker placement and Employer Education in Elderly care, scale Honest Jobs and collaborate with various stakeholders in the Philippines on training. This amount will allow Fair Group to increase its exposure in the local and regional market, and ultimately raise awareness for its solutions to the problem of forced labor of migrant workers. Fair Group is looking for grants, donations, and debt.

- The Foundation will accept grants that it would sub-grant to other ventures. It requires US\$ 830,000 over the next 5 years. This will be used to develop Employer Education for Eldercare curriculum, and pilot and scale the program over 2 years.

Non-Financial

Fair Group also requires non-financial support. This includes

- Volunteers for domestic worker outreach
- Focus group volunteers for employer education program for eldercare
- Technology and IT support
- Legal support to understand the new laws and regulations.