Draft Guidelines for Measuring Migration Costs and Earnings for SDG indicator 10.7.1

Prepared by Eivind Hoffmann as consultant to ILO

(eho@udi.no)

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Background

- SDG indicator 10.7.1: *"Recruitment cost borne by employee as a proportion of yearly income earned in country of destination",* has been defined for

- SDG target 10.7: "*Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies*".

- Statistics are needed to calculate 10.7.1

- KNOMAD (World Bank and ILO) has undertaken pilot surveys on the costs of recruitment for migrant workers and their earnings

Populations and units of observation

For <u>corridors of migration</u>, defined by
- ports of departure and (foreign) ports of arrival
- Migrant workers
  - demographic characteristics
  - qualifications (education and work experience)
  - earnings, and
  - cost of recruitment in jobs (first or current?

- The job

- with an employer

Observation and reference periods

Need to be clarified

Issues:

- Are most of the recruitment costs (however defined) incurred before starting first work period with a foreign employer?

- What about work periods shorter than 12 months? (Monthly earnings instead of annual?)

- If information about costs and earnings is collected from workers or household members: realistic recall periods?

What to measure?

- Recruitment costs or all costs of obtaining and starting in a foreign job?
- Earnings in the foreign job
- Characteristics of
  - Recruitment agent
  - Employer (type of activity)
  - Job (type of work)
  - Worker

Scope of recruitment costs?

- Only costs directly linked to getting and starting in the foreign job?
    - Fees to recruitment agents for finding employer
    - Fees for obtaining a work permit

or also

    - All costs involved in travelling to/from place of work, including
    - Fees for visitors' and non-work residence permit?

Scope of earnings

- Regular wages +
- Overtime payment and bonuses+
- Non-monetary benefits provided +
  - Food, lodging, health insurance/services and transport provided free or at reduced costs
- 'Sign-on' bonuses –

- Deductions from wages for recruitment costs advanced by recruitment agent or employer

Data sources to consider

- Micro data from administrative registrations
  - Central/local government agencies
  - Recruitment agents
- Statistical surveys
  - Recruitment agents
  - Employers
  - Households
  - Migrant workers at place of work or residence
  - Travellers

Sampling strategies

Alternatives:

- Total coverage of population
  - Population census or administrative micro-data
- Sample surveys
  - Non-random sampling:
    - Quota samples
    - Convenience sampling
    - Snowball sampling
  - Random sampling

Choice to be determined by coverage of the target population and operational challenges/costs

Micro-data from administrative registrations

Usefulness depends on

- Identification of relevant agencies

- Coverage of migrant workers

- Which characteristics of jobs and workers that are needed by the administrations

- How information about jobs and workers are stored and updated in the administrative records

- Ease of retrival for statistical reporting

Surveys of recruitment agents and employers

- The information they can give depends on what their officers are able to retrieve from their own administrative registrations

- Thus all the concerns with micro-data from such records apply, with the added concern:

  - Has the statistical agency managed to formulate questions that those responding understand correctly and can relate to their records?

Surveys with questions to/about migrant workers: general issues

- Identifying the migrant workers in a larger population
- Lack of records: reliance on the respondent's knowledge and memory
- Has the statistical agency managed to formulate questions that those responding understand correctly as intended and can relate to what they know/remember
  - (It is the statistician's task to transform the respondent's answers to the statistical concepts wanted)

(Existing) general household survey

Typical example: labour force survey

Advantages:

- Large samples covering the whole population
- Basic demographic and household questions already covered
- Make possible comparisons with non-migrant workers
- Both past work episodes and absent workers

Issues:

- May need oversampling for districts with high incidence of migrant workers
- Additional questions with different reference periods
- More complicated processing procedures

Migrant workers at place of work or residence

- Advantages:
- Current job situation/episode
- Few non-members of target population
- Focussed questions
- Issues:
- Identifying relevant workplaces/housing units
- Access to workers

Survey at sample of recruitment sites

- Relevant when recruitment is done at sites where workers and employers can meet for recruitment for a short (hour, day) or longer period (week, month)

Travellers' survey

Suited if:
- A limited number of ports of departure/return
- Travel from/to ports by air, train, boat or bus
- Seasonal travel patterns

Advantages:
- 'Trapped' respondents during journey
- Fewer non-migrants than with household surveys
- Focussed questions

Issues:
- Identify ports
- Identify (and sample if needed) arrival/departure times
- Obtaining cooperation of operators

Data collection and processing

- <u>For data collection</u> use (inexpensive) hand held electronic device, with questions and response categories displayed
- <u>Electronic data transfer</u> to
- <u>Data processing unit</u> for
  - data editing and
  - coding of questions with 'write in' responses (worker's education and previous work experience, job's occupation, employer's activity/industry)
  - algorithms to generate descriptive/analytical variables
  - Tabulations
- Presenting tables and text with descriptions and analysis

Calculating the 10.7.1 indicator

- *All migrant workers and migration corridors for which statistics are available*

- *For each migration corridor calculate recruitment costs to worker with median earnings as proportion of those earnings* (because both costs and earnings are likely to have skewed distributions, resulting in averages which are upward biased as indicator of 'typical' costs and earnings)

- Give the results for each corridor weigths reflecting it relative number of all migrant workers

Thank you for your attention

Eivind Hoffmann

- – eho@udi.no
- – eivindhoffmann@hotmail.com

# Measuring migration Cost: evidence and issues

- **What is cost?**
  - **Documentation** (passport, residence and work permits, medical exam report, security clearance),
  - **Transportation** (internal and international),
  - **Training** (skills and language);
  - **Recruitment fees** (job information; brokerage fees; service charges);
  - **Guarantee deposits**; **insurance schemes** and **welfare funds**; **informal payments**; **opportunity costs**; and also the **costs of borrowing** money to finance migration

Costs estimates

	Total sample	Urban	Rural
Average total cost (Rs.)	134,792	133,652	**135,832**
Total cost (%)	100	100	**100**
Agents fee	40.7	46.9	**35.6**
Visa fee	37.9	32.7	**42.2**
Air ticket	14.9	13.5	**16.0**
Passport fee	1.6	1.5	**1.7**
Medical test	1.4	1.8	**1.2**
Insurance fee	0.5	0.5	**0.5**
National Identity Card fee	0.6	0.7	**0.6**
Others	**2.4**	**2.6**	**2.4**

Source: Arif, 2009

Costs estimates
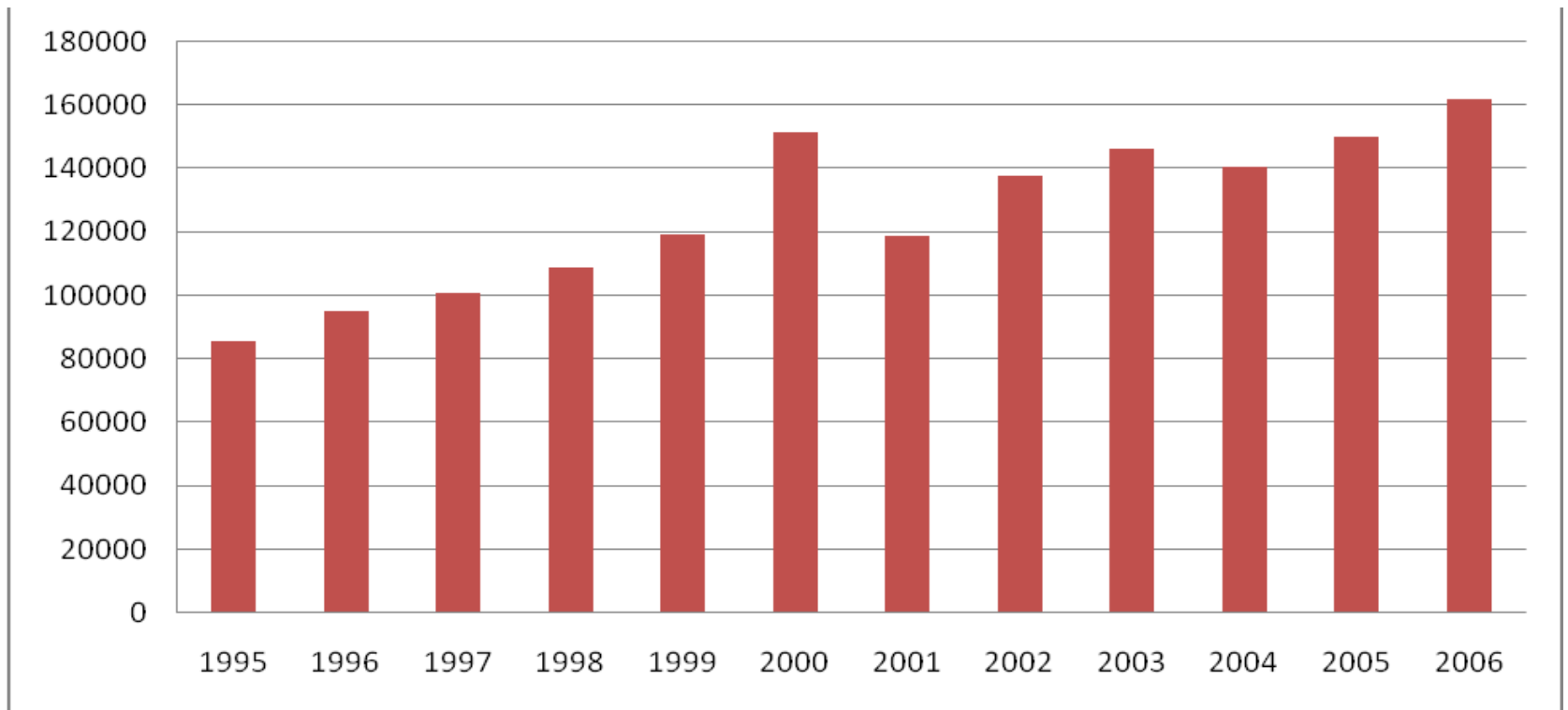
Source: Arif, 2009

Costs estimates

Sources of financing the cost of migration	Total sample	Urban	Rural
From own saving of migrants	20.6	17.8	23.4
From household savings	40.5	45.7	35.4
Loan	28.5	27.5	29.6
Sale of property	2.0	1.5	2.5
Sale of Jewellery	6.5	6.2	6.9
Total cost	100	100	100
Sources of loan (only those who obtained loan)			
Bank	3.53	0.9	5.4
Friends/relatives	90.1	99.1	83.5
Others	6.4	0.0	11.0
All	100	100	100

Source: Arif, 2009