



International  
Conference of  
Labour Statisticians  
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# SDG 10.7.1

## Migrant recruitment costs

Report I: Conceptual advancement for Tier II and Tier III indicators  
(paras. 38-41)

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## Conceptual advancement of Tier II and Tier III indicators

### ► Reclassement d'indicateurs des catégories II et III

### Avance conceptual de los indicadores de nivel II y nivel III

Participants in the Conference are invited to express their views as to: (a) whether the measurement of SDG indicator 10.7.1 is a policy priority in their country; (b) whether their country already measures or has plans to measure this indicator; and (c) whether the ILO should expand its activities to further refine the methodology and promote the regular production of data on SDG indicator 10.7.1 as part of official labour statistics.

Les participants à la Conférence sont invités à exprimer leurs vues sur les questions suivantes: a) la mesure de l'indicateur 10.7.1 des ODD est-elle une priorité dans leur pays?; b) leur pays mesure-t-il déjà ou prévoit-il de mesurer cet indicateur?; c) l'OIT devrait-elle étendre ses activités afin d'améliorer encore la méthodologie de l'indicateur 10.7.1 des ODD et de promouvoir la production régulière de données sur cet indicateur dans le cadre des statistiques officielles du travail?

Se invita a los participantes en la Conferencia a que expresen sus puntos de vista en cuanto a: a) si la medición del indicador 10.7.1 de los ODS es una prioridad en materia de políticas en su país; b) si su país ya mide o tiene planes de medir este indicador, y c) si la OIT debería ampliar sus actividades para seguir perfeccionando la metodología y promover la producción periódica de datos relativos al indicador 10.7.1 de los ODS en el contexto de las estadísticas del trabajo oficiales.

## ► Contents (General Report I, paragraphs 38-41)

- Relevance of SDG 10.7.1
- ILO mandate and development work
- Indicator definition and interpretation
- Measurement guidance and validation
- Status of national implementation, challenges and opportunities
- ILO support
- Points for reflection

## ► Relevance

- **Included in SDG 2030 Indicator framework to support countries in monitoring**
  - **SDG Goal 10:** Reduce inequalities within and among countries
    - **Target 10.7** Facilitate orderly, safe, regular and responsible migration and mobility of people
    - **Indicator 10.7.1** on migrant recruitment costs
- **Supports Objective 6 of Global Compact for Safe, Orderly and Regular Migration (2018)**
  - **OBJECTIVE 6:** Facilitate fair and ethical recruitment and safeguard conditions that ensure decent work
- **In line with ILO General Principles and Operational Guidelines for Fair Recruitment (2016)**
  - No fees or related costs should be charged, directly or indirectly, in whole or in part, to workers or jobseekers

## ▶ ILO mandate and development work

- **ILO is co-custodian agency with the World Bank**
- **Tier II indicator** (since December 2019)
  - Conceptually clear, internationally established methodology and standards
  - But data not yet regularly produced by countries
  - Growing national pilot experience, with a few countries starting to officially report
- **Draft guidance and Operational Manual to measure SDG 10.7.1**
  - Developed by ILO and WB KNOMAD in consultation with National Statistical Offices
  - Based on early WB KNOMAD experience and initial country pilot survey experience
  - Specified in collaboration with National Statistical Offices through a Technical Working Group in 2019

## SDG 10.7.1 Definition and interpretation

**Recruitment costs borne by employee [migrant workers] as a proportion of monthly income earned in country of destination**

- A ratio between a “cost” measure and an “income” measure

$$\text{SDG 10.7.1} = fM \left( \frac{C_k}{E_k} \right)$$

- A measure of the costs of obtaining an employee job abroad, expressed in terms of the number of work-months it would take employee migrant workers to pay off.
- A high value signals issues in the recruitment process that place undue economic burden on migrant workers and expose them to potential abuse, limiting the development benefits of international labour migration.

Illustration: SDG 10.7.1 by background characteristics

Total	
Total	7.4
By	
Sex	
Male	7.2
Female	7.6
Age group	
15-24	7.9
25 -39	7.2
40+	6.2

Total	
Main occupation	
Service and sales workers	8.5
Skilled agricultural, forestry and fishery workers	9.7
Craft and related workers	7.3
Plant/machine assemblers and operators	7.0
Elementary occupations	7.1

# Recruitment costs

In line with ILO General principles and Operational Guidelines for Fair Recruitment (2016) and the definition of recruitment fees and related costs endorsed through tripartite consultation (2018)

**Any fees or costs incurred by the migrant worker in the recruitment process to secure employment or placement, regardless of the manner, timing, or location of their imposition or collection**

## Travel preparations

- Visa costs
- Passport fees
- Medical fees
- Insurance fees
- Security clearance
- Pre-departure briefing
- Language training\*
- Skills assessments\*
- Contract approval fees

*\*If required by the job/employer*

## Agency or broker fees

- Placement fees

*May include public or private agencies*

## Travel from origin to destination

- Inland travel
- International transport
- Accommodation during travel
- Travel clearance

## Other fees

- Payments to friends, families, acquaintances who helped find the job
- Interest on money borrowed

## ► Migrant earnings

- **Gross monthly earnings**

- Total remuneration in cash and in kind paid to employees:
  - For time worked or work done + remuneration for time not worked (vacation, paid leave, holidays)
  - Before any deductions paid by employees (e.g. taxes, social security, pension contributions directly, etc)
  - Excluding employer contributions to third parties, e.g. social security, pension)
- With reference to the first month earnings upon starting a job abroad



## Measurement Guidance

- **Requires sample survey data collection**
  - To capture costs incurred during recruitment process (pre-travel, during travel, arrival) and earnings on first month of employment abroad at individual level
- **Can be applied from different perspectives**
  - **Country of destination:** Focus on *recent* immigrants who arrived with the purpose to work
  - **Country of origin:** Focus on *recent* return international migrants who departed with the purpose to work

### OPERATIONAL MANUAL ON RECRUITMENT COSTS - SDG 10.7.1



#### Statistics for SDG indicator 10.7.1 Draft Guidelines for their Collection<sup>1</sup>

##### 1. Introduction

1. The United Nations 2030 Sustainable Development Agenda marks a milestone by mainstreaming migration as an integral component of development policy. It is the first time that migration-relevant indicators are incorporated into such an agenda. Goal 10.7 of the Sustainable Development Goals (SDGs) calls for facilitating orderly, safe, and responsible migration and mobility of people, including through implementation of planned and well-managed migration policies. This goal includes the indicator 10.7.1: "Recruitment cost borne by an employee as a proportion of monthly income earned in country of destination."<sup>2</sup>
2. The high economic and social costs incurred by migrants are increasingly recognized as serious impediments to realizing sustainable development outcomes from international migration. A critical role of migration policies is to reduce the financial costs of recruitment incurred by migrant workers seeking jobs abroad. The high costs of recruitment paid by workers, particularly for low-skilled jobs, can be attributed to a convoluted and opaque processes in recruiting foreign labour. The presence of layers of brokers/ recruitment agencies and sub-agents providing job matching services, multiple requirements and fees to obtain clearances for foreign employment abroad, illegal visa trading and excess demand for foreign low-skilled and elementary jobs by workers coalesce into a potentially exploitative setting where recruitment costs and fees are borne primarily by workers. The Addis Ababa Action Agenda (4A) of the Third UN International Conference on Financing for Development affirmed the imperative to lower the cost of recruitment for migrant workers (United Nations, 2015, Para 111, page 50).
3. Since 2014, the Global Knowledge Partnership on Migration and Development (KNOMAD) of the World Bank and the ILO have been working on a methodology to measure recruitment costs. ILO and the World Bank are joint custodians of indicator 10.7.1. Several pilot surveys have been conducted in collaboration with local research institutions in selected origin and destination countries to shed light on the magnitude as well as the key factors that influence recruitment costs for low- and semi-skilled jobs paid by migrant workers. Survey countries included destination countries: Spain, Kuwait, South Korea, Russia, Italy, Malaysia, and Mexico; and origin countries: Ethiopia, India, Nepal, Pakistan, and the Philippines.
4. Migrant workers are overwhelmingly recruited to low-skilled or semi-skilled jobs. Too often, such migrant workers are subject to abusive practices in the workplace and pay high fees that can deplete their savings and make them more vulnerable during the recruitment and placement processes. Migrant workers recruited to low- or semi-skilled jobs, especially in construction, agriculture and services (including domestic workers) are most likely to pay exorbitant costs to recruitment agencies, placement agencies, employers and manpower

<sup>1</sup> This note was prepared jointly by the World Bank and ILO. The draft has benefited from KNOMAD/ILO (2016) and Hoffmann (2018). For more information on KNOMAD/ILO recruitment cost surveys see e.g. <https://www.knomad.org/data/recruitment-costs>.

<sup>2</sup> Cf. <https://unstats.un.org/sdgs/indicators/Global%20Indicator%20Framework%20for%20refugees%20and%20migrants> Ena.pdf

## ► Methodology validation (2022-23)

### Qualitative validation

- Cognitive tests
  - Country of origin: Among return migrant workers
  - Country of destination: Among immigrant workers
- Two alternative module versions tested
  - Variants to identify target migrant respondents
  - Variants to capture recruitment costs

### Quantitative validation

- Experimental pilot survey
  - Targeted sub-groups of migrants (immigrants and return migrants)
- Accumulated country experience through
  - Country pilot tests
  - National survey implementation

## ► National implementation

### Implemented

- Bangladesh
- Cambodia
- Ghana (pilot)
- Indonesia
- Lao PDR
- Maldives
- Philippines
- Samoa (pilot)
- Vietnam

### Ongoing

- Korea (Republic of)
- Morocco (pilot)
- Nepal

### Has expressed interest

- Guatemala
- Malaysia
- Nigeria
- Pakistan
- Qatar
- South Africa
- Sri Lanka

## ► Identified challenges and opportunities

### Challenges

- **2020-2022**
  - Covid-19 pandemic halted pilot implementation plans in some countries
- **2023 –present**
  - Limited establishment of specialized migration surveys as part of national data collection programmes
  - Lack of funding and partnership mechanisms to support national adaptation, pilot testing, and national survey implementation
  - Limited activity among migrant receiving countries

### Opportunities

- **Potential to raise awareness and data demand for policy**
  - Monitoring SDG progress, GCM forthcoming indicator framework
- **Potential for new sampling frames**
  - 2020 round of population census
  - Administrative sources as frame or to generate stratification variables to target surveys
- **Potential for modular survey implementation**
  - For countries with sizeable immigrant population with established migration surveys or LFS
- **Potential to reach recent emigrants**
  - Mixed survey approaches (household survey + follow-up phone surveys)

## ► ILO support

### SDG 10.7.1 Measurement

- Direct technical support with survey design, implementation, indicator calculation, analysis
- Collaboration in pilot testing
- Capacity-building through global, regional and country-level training
- Limited funding support through ILO technical cooperation projects (as feasible), seeking development partners to scale up implementation

### Forthcoming practical guidance (Q1 2024)

- Self-paced e-learning course (with ILO ITC and KOSTAT)
- Validated model survey modules
- Accompanying explanatory notes
- Indicator calculation guidance
- ...

## ► Points for reflection

Participants in the Conference are invited to express their views as to whether:

- Measurement of SDG indicator 10.7.1 is a national policy priority
- Country already measures or has plans to measure this indicator
- ILO should expand its activities to further refine the methodology and support countries to integrate SDG 10.7.1 measurement as part of official labour statistics