

# Goal 10

**Target number:** 10.7

**Indicator Number and Name:** 10.7.1 Recruitment cost borne by employee as a proportion of yearly income earned in country of destination

**Agency:** International Labour Organization (ILO) / World Bank (WB)

**Has work for the development of this indicator begun?** Yes.

A draft methodology document has already been prepared and will be presented in a consultation workshop to be organized for the selected National Statistical Offices in September 2018 for their endorsement. The current draft methodology has benefited from the national labour force survey conducted in Lao PDR in September 2017, and from ILO/KNOMAD Surveys conducted in 12 countries between 2014 and 2016. The KNOMAD-ILO migration costs surveys were conducted in countries of origin (Ethiopia, Nepal, Pakistan and Philippines) and in destination countries (Spain, Kuwait, South Korea, Italy, Russia, Malaysia and Mexico). These surveys focused on major bilateral migration corridors as pilot efforts revealed considerable variation in recruitment costs incurred by migrant workers based on the origin-destination country pair. The 2015 and 2016 waves of the migration cost surveys which covered over 19 migration corridors involving interviews with 5,603 migrants can be accessed [online](#)<sup>1</sup>. Various survey methods were used including household surveys and ‘travellers’ surveys that intercepted migrants at the point of arrival and departure in the origin country. A customized module on migration, including the costs incurred was added to the LFS in Lao PDR and relevant indicators were successfully calculated.

A draft questionnaire for measuring the indicator has been prepared based on experience from ILO/KNOMAD surveys as well as the pilot process with Lao PDR labour force survey in 2017.

The methodology has been developed over the following stages:

First, in 2013, experts from KNOMAD/WB, ILO, COMPAS (Oxford University) and University of California-Davis developed a conceptual framework on migration costs including recruitment costs, through a consultative process (workshops) involving OECD, IOM, UNESCAP, FAO, ACP, IFAD, UNPD, government agencies (US Department of Labor) and the Philippine Department of Labor and Employment, think tanks, academia, civil society, and private foundations.

Second, in 2014, the experts developed a questionnaire by cost components – recruitment costs, financing costs, and wages and foregoing wages, which was vetted by pilot surveys in Spain, Kuwait and Korea.

Third, in 2015, KNOMAD and ILO further implemented migrant surveys in Ethiopia (return migrants from Saudi Arabia), India, Philippines, Nepal (return migrants from Qatar), Malaysia (migrants from Vietnam), Mexico (migrants from Guatemala, Honduras and El-Salvador), and Pakistan (return migrants from Saudi Arabia and U.A.E). Additional surveys were undertaken 2016 in Russia (with migrants from Central Asia), Italy (with migrants from West Africa), India and Philippines (return migrants from Saudi Arabia).

Fourth, the ILO and World Bank’s developed a preliminary methodology on the indicator that has been presented at the: fourteenth, fifteenth and sixteenth Coordination Meeting on International Migration,

Fifth, in 2018, a methodology and guidelines document has been developed by KNOMAD/WB/ILO which includes the definition, the calculation and the variables needed to measure the indicator. It aims to explain concepts, methodology and sampling strategies related to the data that will be used. The data catalogue for

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<sup>1</sup> <https://www.knomad.org/data/recruitment-costs>. Some results of the KNOMAD-ILO surveys can be found in the World Bank Migration and Remittance Brief No 28 and 29.

the indicator will also be developed in consultation with national statistical offices and governments. This document will be presented in a consultation meeting with National Statistical Offices in September 2018 (see above)

**Who are the entities, including national and international experts, directly involved and consulted in developing the methodology/and or data collection tools?**

The methodology development is led by ILO and World Bank experts, with support by external experts with experience in household surveys and migration data. The current draft methodology has already been presented and discussed at two occasions (in April in Delhi with the participation of Bangladesh, India and Sri Lanka, and in June in Turin with the participation of Germany Israel, Mexico, South Korea, Tunisia, Turkey and United States of America) by statistical experts including from selected NSOs.

Various stakeholders and international agencies also participated in the above experts' consultative processes, including OECD, IOM, UNESCAP, FAO, UNDP, academia, civil society, and private foundations. Government agencies including the US Department of Labor and the Philippine Department of Labor and Employment have also participated in the consultations.

In 2016, the findings from the surveys were presented at the Global Forum on Migration and Development on a special session on recruitment costs. The indicator has also been presented at the International Forum on Migration Statistics last February 2018.

**What is the involvement of or how do you plan to involve National Statistical Systems in the development of the methodology?**

ILO/KNOMAD surveys were primarily carried out by local research institutes. The methodology has also been presented at the second working group on Labor Migration Statistics in November 2016. The Lao PDR Statistics Bureau was involved in conducting the pilot of the initial draft methodology using its LFS 2017 with the additional module on migration costs, as well in the analysis of data on recruitment costs from the module.

Recent consultations in April and June 2018 included NSOs experts from Bangladesh, India, Korea (Republic of), Sri Lanka, Germany Israel, Mexico, Tunisia, Turkey and United States of America. The revised methodology will be presented again specifically to the selected NSOs in an upcoming consultation workshop that will be jointly hosted by the World Bank and ILO for further advice and discussion in early September 2018.

A number of invited NSOs in September consultations have expressed interest to pilot the current ILO/WB methodology either this year- 2018 (within their quarter 4 round of LFS), or early next year in 2019. These include Bangladesh, Malaysia, Philippines, Thailand, and possibly Sri Lanka.

**Please briefly describe the process of developing the methodology for the indicator**

Drawing from the KNOMAD/ILO experience with conducting recruitment cost surveys, the ILO and World Bank prepared an initial concept note on the recruitment costs indicator, including the conceptual framework as well as a draft measurement methodology including key items for data collection.

Second, while doing various consultations with selected experts on the subject, the ILO and the WB implemented a pilot initiative to document migration costs with the Lao PDR LFS 2017, using the opportunity that the country wanted to measure labour migrations statistics. This entailed ILO and the WB developing an initial draft module to be included in the LFS questionnaire.

Third, the draft document on “*Statistics for SDGs indicator 10.7.1- Draft Guidelines for their Collection*” has recently been presented to experts for inputs, and will be the subject of consultations with selected NSOs for their possible endorsement in September 2018.

The Draft Guidelines include details on objectives and uses, concepts and definition, data collection methods and programme, data collection items, and indicators and data dissemination. It is important to underscore that the objectives of the whole process is to have the Guidelines ready and endorsed by the NSOs before the end of 2018. However, these guidelines will be refined through a number of pilot tests planned by selected NSOs, and will allow for the possibility of future refinements as data sources and experience using various relevant sampling methodologies.

**Please indicate new international standards that will need to be proposed and approved by an intergovernmental process (such as UNSC) for this methodology.**

Existing origin-country household surveys conducted by NSOs, especially LFS with an adjusted sample design is being proposed to collect data on high- and low-skilled migrant workers and by corridors. Using the existing data collection system in the country is not anticipated to create additional burden in the implementing countries. Destination countries may also potentially expand the usual establishment (or economic) surveys, by adding a module on recruitment costs.

The proposed indicator will support the implementation of the first objective of the recently text approved of the Global Compact on Migration: “Collect and utilize accurate and disaggregated data as a basis for evidence based policies”. This objective also proposes to “Conduct household, labour force and other surveys to collect information on the social and economic integration of migrants or add standard migration modules to existing household surveys to improve national, regional and international comparability, and make collected data available through public-use of statistical microdata files.”.

However, where the household based surveys or establishment surveys are not feasible, the methodology proposes an option to conduct travellers’ surveys, wherever appropriate, wherein migrant workers are intercepted and interviewed at points of departure, transit, or arrival in the origin country or even destination country.

**When do you expect the methodological work on this indicator to be completed?**

In September 2018.

**Are data and metadata already being collected from the National Statistical System for one or more components of this indicator?**

Yes.

**If yes, please describe:**

KNOMAD/ILO tested this in Indonesia’s national surveys carried out by the national statistics agency; moreover, recruitment cost-related questions was included in a new migration module of a national survey that was carried out by the statistical agency of the Kyrgyz Republic.

A pilot test to measure recruitment costs at national level has been carried out with Lao PDR LFS 2017, drawing on a draft methodology that has been discussed internally by the ILO and the WB. Items (questions) on recruitment costs were included in a questionnaire that intended to measure international migration and labour migration, including both return migrants, and absentees. A draft report on the results of the pilot has been prepared and the questionnaire used is also available.

**How do you plan to collect the data?**

The same as the pilot process mentioned above with Lao PDR. The main method of data collection recommended by the Guidelines is to use a modular approach included in existing LFS; this will also ensure sustainability and easy/fast-track implementation by NSOs. Our experience shows this can be implementable: for instance, KNOMAD/ILO tested this in Indonesia's national surveys carried out by the national statistics agency; moreover, recruitment cost-related questions included in a new migration module of a national survey that has been implemented by the statistical agency of Kyrgyz Republic.

For destination countries establishment surveys can also be used, and the process will be the same as for LFS: integrate a module on recruitment costs in the survey.

In exceptional cases particularly when none of the above is available or is too expensive for the country, the travellers' surveys methodology will be used, stemming from ILO/KNOMAD past migration costs survey experiences.

**If the indicator involves multiple components from different data sources, please describe how each individual component of the indicator will be collected here.**

The indicator entails data on the numerator and the denominator that should be collected from the same source, as above indicated.

**With what frequency is data expected to be collected?**

Annual.

**Is there a process of data validation by countries in place or planned for this indicator?**

Once NSOs have endorsed the proposed Guidelines, data validation will use the same process for national official statistics from household surveys. No additional process is needed.

**If yes, please briefly describe:**

The same as above.

**If you have any additional comments that you believe would be helpful to IAEG-SDG members in analysing the work plan and methodological development of the indicator, please provide them here:**

At policy level the refinement of the definition of recruitment costs will also be completed in 2018; hence the Guidelines will be final in terms of the conceptual framework. Further refinements will be mostly on methodological issues based on various pilots that are planned.

*(as of July/August 2018)*