Statistics for SDG indicator 10.7.1

Current methodology for measuring the recruitment costs of migrant workers

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Objectives & uses

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Objectives and uses

❑The objective of the Guidelines is to assist those aiming to **produce the statistics to calculate SDG 10.7.1 indicator**;

❑Indicator selected for **monitoring Target 10.7**: contributes to facilitating orderly, safe and responsible migration and mobility of people, including through implementation of planned and well-managed policies;

❑Data should represent the experiences of all **international** migrant workers from the country of origin (*) or of destination, as defined in these Guidelines;

❑Statistics should be recognized as official statistics by the proper authorities in the country producing them, such as the NSO, or the MoL, etc.

•The *country of origin* of the international migrant worker may refer to the country of birth, the country of citizenship or the country of previous usual residence.

Concepts & definitions (1)

Statistics needed:

❑ SDG indicator 10.7.1: "Recruitment cost borne by employee as a proportion of monthly income earned in country of destination", i.e. a ratio between a 'cost' measure and an 'income' measure.

i.e. <mark>RCI = COST / EARNING</mark>

Key concepts used:

❑Target population (International migrant, International migrant workers)

❑Reference period

❑Costs

❑Earnings

Recommendation

❑Both the costs and earnings should be observed for the same migrant worker

❑Produce both the mean/average, median values, and other percentiles for the costs and earnings distributions for the migrant workers

Concepts & definitions (2)

Target population

❑ All usual resident **international migrant workers**, i.e. persons who changed the usual country of residence and are employed as employee in the country of destination, should be covered.

❑These Guidelines refer to an international migrant worker who is/was an employee (*)

Recommendation

❑ Covers all international migrant workers whether they are engaged through formal or through 'informal' recruitment processes.

❑ Excludes those whose usual residence is hard to confirm and cross-border workers.

(*) Employee is person who is/was hired by another to perform an economic activity for wage/salary (cash and/or payment in kind) under the other's control.

Concepts & definitions (3)

Reference period:

❑ Duration of employment period abroad can be shorter.

❑ Migration cost varies by year of departure – better to cover recent departures

Recommendation:

❑ It should refer to the **first year of an employment abroad** of the migrant workers.

Concepts & definitions (4)

Scope of 'recruitment costs born by international migrant employee'

❑Recruitment costs refer to 'any fees or costs incurred in the recruitment process in order for workers to secure employment or placement, regardless of the manner, timing or location of their imposition or collection'

❑Borne by the migrant workers

❑Includes training cost

❑Includes recruiters' charges.

Concepts & definitions (5)

Items of 'recruitment costs born by international migrant employee' (14 items)	
Recruiter/job broker charges	Security clearance fees
Visa costs	Pre-departure briefing
Inland transportation expenses	Language training
International transportation	Skills assessment fees
Passport fees	Contract approval
Medical fees	Welfare fund fee
Insurance fees	Debt repayment fee

Concepts & definitions (6)

Scope of monthly earnings in country of destination (CoD), i.e. country of employment:

In line with statistics on earnings from the 12th ICLS (October 1973)

Cover the remuneration in cash and in kind paid to employees

- For **time worked or work done** together with remuneration for time not worked, such as for annual vacation, other paid leave or holidays.
- Statistics of earnings should relate to **employees gross remuneration**, i.e. the total before any deductions are made for taxes, social security and pension contributions directly paid by employees, union dues and other obligations of employees.
- Earnings **exclude severance** and termination pay.
- Earnings also **exclude employers' contributions paid to third parties**, such as to social security and pension.

Data collection programme

❑ Data collection strategies

❑ Sources of data

    Household surveys

    Administrative registrations

    Establishment surveys

    Travelers' surveys

❑General remarks on sampling strategies

Data Collection Strategies

- Need to consider target (migrant) population and operational challenges/costs

- Other considerations include location and timing of surveys (recall issues)

- [Returnee] Surveys in country of origin (**CoO**) should be done not long after final return of migrant worker

- Surveys in country of destination (**CoD**) should target respondents who arrived recently (2-3 years prior)

Sources of Data

i) Household or labor force surveys

ii) Administrative registrations (for sampling frame)

iii) Establishment surveys

iv) Travelers' surveys

Household-based surveys

- Includes labor force surveys, HIES and multi-purpose/specialized surveys that can collect information on cost and earnings for migrant workers

- A general household-based survey strategy has the **advantage** of:

    (i) being a well established practice in the **CoO** or **CoD**

    (ii) may already collect some relevant data from household/migrant members

    (iii) using a probabilistic sampling design with appropriate sampling frame from population census or national registry

- But it has also the operational challenges of covering migrant workers in the sample:
    (iv) may need oversampling major migration source or destination
    (v) sampling frames may need to consider collective households.

Administrative registrations

- More suited to establishing a sampling frame

- In **CoO**: may help to identify migrants who have registered to work abroad /signed-up for social insurance schemes

- In **CoD**: list of foreign workers who have been given a work permit/ registered with tax/social security authorities.

- Both contexts would require administrative systems with up-to-date worker's contact information

Establishment surveys

- Suitable in **CoD** for direct data collection if relevant questions are added in questionnaire.

❑Advantages:
   i)   Destination countries may have an existing data collection mechanism
   ii)   Reliable information (particularly on earnings) may be obtained

❑ Disadvantages:
   - i) Limited to regular workers. Would exclude informal workers/ irregular workers.

Traveler's survey

- Migrant worker is intercepted while returning from (or traveling to) a job abroad

- Potential port of arrival/departure locations: airport, border crossing, perhaps pre-departure facilities

- For representativeness, surveys would need to cover important migration corridors

- **Advantages**: easier to identify target groups

- **Disadvantages**: i) limited interview time ii) incomplete earnings information at pre-departure

- Examples: 2016 KNOMAD-ILO Nepal (pre-departure) survey, 2015 & 2016 KNOMAD-ILO India (returnee) survey

General remarks on sampling strategies

- Information on **recruitment practices** and **relevant regulations** in both countries will help inform sampling strategies and questionnaire design

- **Questionnaire** would need to account for what migrant workers may know/recall about migration costs and foreign earnings

- Sampling approaches:

  - **Probability sampling** complemented with oversampling in migration pockets

  - **Non-probability sampling**:
    - Quota sampling – for easily observable characteristics (gender, size/type of occupations)
    - *Convenience/snowball sampling*
    - Potential bias is unknown but may be useful fo*r exploratory purposes*

Indicators, tabulation, and analysis

Indicators: costs, earnings, and recruitment cost indicator

Core data collection items

Tabulation: disaggregation and analysis

Indicators (1)

Key principles:

❑ Statistics on costs and earnings from the same source;

❑ From the same migrant worker;

❑ For all types of migrant workers;

❑ Expressed in the same currency.

Recommendation:

❑ Convert costs and earnings to the currency of the country of origin;

❑ Use official exchange rate at the time of first arrival in country of destination.

Indicators (2)

Key statistics: Recruitment cost indicator (RCI)

❏ RCI = Proportion of recruitment costs in the monthly employment earnings

Calculation:

$$RCI = f\left(\frac{C_k}{E_k}\right)$$

Where

f may take on various functions forms: mean, median and 4th quintile

C_k = is the recruitment costs paid by individual migrant worker k;
E_k = is the monthly earnings of the same migrant worker k;
M = the total number of migrant workers, whose monthly earnings are not zero.

Indicators (3)

Summary key statistics:

❑ Total, average, median and other relevant percentiles of recruitment costs;

❑ Total, average, median and other relevant percentiles of earnings abroad;

❑ Average, median and relevant percentiles measure of the Recruitment cost indicator;

❑ Proportion of migrant workers with no recruitment costs;

❑ Proportion of migrant workers with no earnings.

Data collection items (1)

Core modules needed to measure recruitment cost indicator:

Persons for which questions are asked (by Age groups)

0+	**Module I:** Household Roster & Demographic Characteristics	
n+	**Module II:** Education & training/ disability, etc.	

W A P — **Module III: Participation in the Labour Market**

- Identification of persons in employment

(Y)

(N)

Persons in employment

- Characteristics of main job
(industry, occupation, status in employment, institutional sector, work place, benefits (contract, coverage, leave, earnings), working time, etc.

Persons NOT in employment

- Job search & availability

0+ — **Module IV: Migration, migrant workers, and return migrants**

n+ — **Module V: Recruitment costs**

Module VI: First job abroad, characteristics and earnings.

Data collection items (2)

Module IV: Migration, migrant workers, and return migrants

- Place of birth
- Citizenship
- Place of previous residence
- Reasons for moving (in current residence)
- Duration in present residence
- Last usual residence abroad (return migrants)?
- First (and last?) place (country) of work abroad
- Date of first work abroad

Data collection items (3)

Module V: Recruitment costs

- Job preparation costs (documents, skills, medical, etc.)
- Recruitment agency costs (including fees paid to friends/ relatives)
- Travel costs
- Other (formal/informal) costs

- Monetary bonuses and incentives received during recruitment
  process (will be part of earnings, but may need to be collected here)

Data collection items (4)

Module VI: First year of work abroad, characteristics and earnings

      - Occupation (of main job or last job in first year)

      - Industry

      - Duration of work (or start and end date)

      - Migration process (channel: formal vs informal)

      - Registration with a national authority (country of work, 1st year).

      - Last monthly earning (in the first year)

      - Average monthly earnings during the first year

      - Monthly bonuses received during first year of work.

Tabulation (1)

Recommended disaggregation:

❑ By **SDGs** overarching **disaggregation** (https://unstats.un.org/sdgs/indicators/Global%20Indicator%20Framework%20after%20refinement_Eng.pdf):

income, sex, age, race, ethnicity, migratory status, disability and geographic location

❑By major **countries of destination/ origin**:

to assess main corridors, or corridors of policy concerns

❑ By **type of migration process** (documented, undocumented migrant workers).

Tabulation (2)

Recommended disaggregation:

❑ By **occupation** (ISCO-08):

Skills level: high-skill & low-skill groups

Major occupational groups;

Assess which skills, groups, have the highest recruitment costs and why?

❑By major **industry** (ISIC Rev.4):

to main sectors where migrant workers are engaged, and where recruitment costs are the highest;

Assess recruitment costs in industries of policy concern (agriculture, construction, retail, and domestic work).

References

❑ ILO, World Bank (2018). *Statistics for SDG indicator 10.7.1: Guidelines for their Collection*. KNOMAD website (http://www.knomad.org), & ILO website; Nov.

❑ SDG indicators metadata: https://unstats.un.org/sdgs/metadata/files/Metadata-10-07-01.pdf ;

❑Recruitment costs measurement: https://www.knomad.org/data/recruitment-costs ;

❑ ILO Department of Statistics: http://www.ilo.org/stats .