Integrating measurement of SDG 10.7.1 in official statistics: Progress and lessons learned

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ILO Fair Recruitment & SDG 2030 Agenda

- **ILO General principles and Operational Guidelines for Fair Recruitment (2019)**
  - No fees or related costs should be charged, directly or indirectly, in whole or in part, to workers or jobseekers

- **Global Compact on Migration (2018)**
  - **OBJECTIVE 6:** Facilitate fair and ethical recruitment and safeguard conditions that ensure decent work

- **SDG Goal 10:** Reduce inequalities within and among countries
  - **Target 10.7** Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned & well managed migration policies
    - **Indicator 10.7.1:** Recruitment costs borne by employees as a proportion of monthly income earned in country of destination
    - One of four indicators to monitor Target 10.7
    - ILO co-custodian with WB-KNOMAD
SDG 10.7.1: Current status

- **Tier II indicator**
  - Conceptually clear, internationally established methodology & standards, but data not yet regularly produced
  - Growing national pilot experience, some countries starting to officially report
  - Ongoing review of accumulated NSO experience by ILO

- **Guidance and Operational Manual to measure SDG 10.7.1**
  - Developed by ILO & WB KNOMAD in consultation with National Statistical Offices
  - Endorsed as draft Guidelines by National Statistical Offices through a TWG in 2019
  - Operational Manual includes: key concepts and definitions, recommended reference periods and data collection strategies, 3 alternative model survey questionnaires (short, medium, long)
SDG 10.7.1 What does it refer to?

- A ratio between a “cost” measure and an “income” measure ($\text{RCI} = \frac{\text{Costs}}{\text{Earnings}}$)
- A measure of the costs of obtaining an employee job abroad, expressed in terms of the amount of work-months it would take employee migrant workers to pay off.
Recruitment Cost indicator (RCI) – SDG 10.7.1 calculation

- RCI = Proportion of recruitment costs in monthly employment earnings
- Requires to convert costs and earnings to a single currency (use country of origin)
- Use official exchange rate at the time of first monthly earnings

Calculation:

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

Where:

- $f$ may take on various functions forms: mean, median, or quintiles
- $C_k$ = is the recruitment costs paid by individual migrant worker $k$;
- $E_k$ = is the monthly earnings (first full month of work abroad) of the same migrant worker $k$;
- $M = $ for the total number of migrant workers, whose costs & monthly earnings are not zero.
Recruitment costs

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

<table>
<thead>
<tr>
<th>Pre-travel preparations</th>
<th>Agency or broker fees</th>
<th>Travel from origin to destination</th>
<th>Other fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Visa costs</td>
<td>• Placement fees</td>
<td>• Inland travel</td>
<td>• Payments to friends, families, acquaintances who helped find the job</td>
</tr>
<tr>
<td>• Passport fees</td>
<td></td>
<td>• International transport</td>
<td>• Interest on money borrowed</td>
</tr>
<tr>
<td>• Medical fees</td>
<td></td>
<td>• Accommodation during travel</td>
<td></td>
</tr>
<tr>
<td>• Insurance fees</td>
<td></td>
<td>• Travel clearance</td>
<td></td>
</tr>
<tr>
<td>• Security clearance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Pre-departure briefing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Language training*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Skills assessments*</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>• Contract approval fees</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*If required by the job/employer

May include public or private agencies
SDG 10.7.1 + complementary indicators

- Recruitment Cost Indicator – RCI (SDG 10.7.1)
  - Average, median and relevant percentiles measure of RCI (when expressed in months)

- Components of RCI
  - Total, average, median and other relevant percentiles of recruitment costs
  - Total, average, median and other relevant percentiles of earnings abroad

- Complementary indicators
  - Proportion of migrant workers with no recruitment costs
  - Proportion of migrant workers with no earnings
RCl Example, Bangladesh 2020

9.3.1 SDG 10.7.1 - Recruitment Cost Indicator by sex

Mean recruitment cost and monthly earnings of the migrant workers is presented below:

<table>
<thead>
<tr>
<th>Sex of migrants</th>
<th>Average cost of migration (in taka)</th>
<th>Average monthly income (in taka)</th>
<th>SDG indicator 10.7.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>416789</td>
<td>23693</td>
<td>17.6</td>
</tr>
<tr>
<td>Male</td>
<td>471668</td>
<td>24673</td>
<td>19.1</td>
</tr>
<tr>
<td>Female</td>
<td>100102</td>
<td>18033</td>
<td>5.6</td>
</tr>
</tbody>
</table>

Chart 9.5: Proportion of recruitment costs in the monthly employment earnings, by country

- Saudi Arabia: 19.7
- Qatar: 16.1
- Oman: 16.9
- Singapore: 18.1
- Malaysia: 15.1
- Other countries: 46.7

Source: CMS 2020

Chart 9.4: Proportion of recruitment costs in the monthly employment earnings, by skills

- National: 17.6
- Skilled worker: 14.5
- Un-skilled worker: 20.2
- Domestic worker: 7.1

Source: CMS 2020
Data collection strategy

- National household survey
  - Recommended as best source
  - Because information on costs, earnings needed for the same individual migrant worker
  - Can cover migrant workers living in households, regardless of migration channel

- To promote long-term sustainability recommended to
  - Consider an existing national household survey covering related topics
    - Specialized migration surveys
    - Labour force surveys
  - If parent survey is not designed to capture the target population (migrant workers)
    - Need to review the sampling design to ensure adequate coverage and precision of estimates
    - Oversampling, subsampling and similar techniques may be necessary in origin countries
    - Use of dual frames (to capture migrants in group quarters) may be necessary in destination countries
Target population for SDG 10.7.1

Can be measured in countries of destination and countries of origin

**Country of destination**
- International migrant workers (usually) resident in the country
- Who arrived with the intention to work in a recent past period (1, 3 or 5 yrs.)
- And whose first job (since last arrival) to destination country was as an employee

**Country of origin**
- Recent return international migrant workers
  - Who moved abroad to work as employees in a recent past period, and have since returned
- Recent emigrant migrant workers, visiting at the time of the survey

Regardless of mode of recruitment (formal / informal), migration (documented / undocumented)

**Excludes:** migrants who travelled for other reasons, but ended-up working or seeking work; those taking on self-employment abroad; those who did not change country of usual residence (border workers, etc)
## Minimum RCI survey contents

<table>
<thead>
<tr>
<th>Persons for which questions are asked (Age groups)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WAP</td>
</tr>
</tbody>
</table>

### Household Roster & Socio-demographic Characteristics*
- Sex, age, education level, language proficiency in destination country

### Section A: Identification of migrant worker target group
- Place of birth
- Place of citizenship
- Date of last arrival / departure
- Purpose of move
- (Date of last return to survey country)

### Section B: First job in last/current destination country
- Status in employment
- Occupation
- Industry
- Date when job started
- Gross earnings in first month of employment (cash and in-kind)
- Channel to find job
- Job placement method
- Migration channel

### Section C: Recruitment costs (3 alternative versions)

<table>
<thead>
<tr>
<th>SHORT VERSION</th>
<th>MEDIUM VERSION</th>
<th>LONG VERSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Total costs (global figure)</td>
<td>• Pre-travel preparations</td>
<td>• Itemized costs spent (16 categories)</td>
</tr>
<tr>
<td>• Of which amount paid to recruitment agency / broker fees</td>
<td>• Recruitment agency/ broker fees</td>
<td>• …</td>
</tr>
<tr>
<td></td>
<td>• Travel from origin-destination</td>
<td>• …</td>
</tr>
<tr>
<td></td>
<td>• Other costs</td>
<td>• …</td>
</tr>
</tbody>
</table>
Country NSO Implementation

- **Bangladesh**: 2020 stand-alone survey; official data published; 2022 included in LFS
- **Cambodia**: module within LFS 2019; official data published
- **Ghana**: 2019 pilot test, seeking funding for national level survey
- **Indonesia**: pilot tests in LFS; module included February 2020 – February 2022; review ongoing
- **Lao PDR**: pilot in LFS 2017; module included in LFS 2022; in analysis phase
- **Maldives**: module in HIES 2019; Final report forthcoming
- **Philippines**: pilot in 2019 Survey on Overseas Filipinos (SOF); Final report forthcoming
- **Samoa**: module in LFS 2022
- **Vietnam**: pilot in LFS 2019 Q4; module in LFS 2021, official data published 2022

**Ongoing plans:**

- **Korea (Republic of)**: cognitive tests conducted; considering inclusion in 2024 Survey of Immigrants
- **Nepal**: stand-alone survey; data collection planned for Q2 2023
- **Morocco**: field test in Q2 2023, considering inclusion in national household survey in 2024
- **South Africa**: field test in Q2 2023, considering independent migration survey or as add-on to QLFS
- **Egypt, Ethiopia, Guatemala, Pakistan, Nigeria, Sri Lanka**: expressed interest, early discussions
ILO next steps to support official measurement of SDG 10.7.1

- Qualitative validation of SDG 10.7.1 survey modules
  - Cognitive test (with survey firm) to validate model questionnaires in origin and destination countries
    - Round I: South Africa – Mozambique (results forthcoming Jan 2023)
    - Round II: Morocco – Spain (TBC as per results from round I)

- Quantitative review of accumulated country pilot survey experience
  - Sampling approaches, migrant worker coverage, data quality

- Update ILO-WB: SDG 10.7.1 Guidelines and operations manual
  - Revised manuals, modular survey tool kit
  - Integrate as part of ILO practical survey resources

- Technical support, capacity building for NSOs
  - National adaptation of SDG 10.7.1 modules, pilot testing, national survey implementation, analysis, reporting

- Advocacy for wider SDG 10.7.1 measurement, expand user demand
  - In origin countries and importantly in destination countries as a priority
Resources

- ILO Fair recruitment initiative
  - https://www.ilo.org/global/topics/fair-recruitment/WCMS_536755

- SDG 10.7.1 Guidelines for data collection

- SDG 10.7.1 Operational manual

- ILO ILOSTAT MIGRATION STATISTICS DATABASE
  - https://ilostat.ilo.org/topics/labour-migration/