SDG indicator metadata

(Harmonized metadata template - format version 1.0)

0. Indicator information

0.a. Goal

Goal 10: Reduce inequality within and among countries

0.b. Target

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

0.c. Indicator

Indicator 10.7.1: Recruitment cost borne by employee as a proportion of monthly income earned in country of destination

0.d. Series

0.e. Metadata update

2018-11-01

0.f. Related indicators

0.g. International organisations(s) responsible for global monitoring

International Labour Organization (ILO) and World Bank (WB)

1. Data reporter

1.a. Organisation

International Labour Organization (ILO) and World Bank (WB)

2. Definition, concepts, and classifications

2.a. Definition and concepts

Definitions:

SDG indicator 10.7.1 is defined as: "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. The statistics used for the numerators and denominators for indicator 10.7.1 should be based on costs and earnings observed for the same individual international migrant worker.

Concepts:

Target population (international migrant, international migrant workers): the term 'international migrant worker' is to be understood to mean someone who leaves his/her country of usual residence with the documented intention to work in another country, as a wage/salary earner. Thus, the term's concept does not include those who leave their area of usual residence to work in another area in the same

country, nor those who can commute for work across an international border, on a daily or weekly basis without changing the country of usual residence. These draft Guidelines exclude consideration of other migrant workers whose usual residence may be hard to confirm, such as seafarers who work on a vessel registered to a country different from their country of origin. The concept should cover all international migrant workers who have changed their country of usual residence with the documented intention to work in another country, whether they are engaged through formal or through 'informal' recruitment processes.

Reference period: the statistics/estimates on costs and earnings used to calculate 10.7.1 should refer to the first job obtained in the country of destination and the first year of employment abroad of the international migrant worker.

Costs: 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. These are equal to the total amount that migrant workers and/or their families paid to find, qualify for, and secure a concrete job offer from a foreign employer and to reach the place of employment for the first job abroad. Recommended costs items are indicated in Paragraphs 22 to 24 of the draft Guidelines on statistics for SDG indicator 10.7.1.

Earnings: statistics on earnings of migrant workers abroad should cover the actual income received for the last month in the first job in the destination country, including bonuses and other earnings (e.g. for over-time work). Adjustments should be made for any deductions for destination country taxes and social security contributions, as well as for any deductions in wages made to recover any recruitment costs initially paid by the employer.

2.b. Unit of measure

2.c. Classifications

3. Data source type and data collection method

3.a. Data sources

Statistics on SDG indicator 10.7.1 should be collected primarily by using existing data collection systems such as household-based surveys. This will ensure coherence with existing national sources, methodologies and sampling frames, including types of interviews, field organization, etc.

A general household survey strategy has two advantages: a) a survey of this type may already have been well established in the country of origin as well as in host countries; and b) this type of survey may already collect some of the relevant information from the members of the household (even from absent members in the country of origin).

In order to reduce the operational challenges/costs as much as possible, the primary instruments for data collection should be household-based surveys (such as a labour force survey, household income and expenditure survey, or multi-purpose surveys that include questions on employment and migration) in

order to rely on existing programmes carried out on regular basis by countries; these could be complemented with establishment surveys for destination countries, and administrative records. In cases where such data are not available, as a last recourse, shorter traveller surveys of migrant workers at ports of departure/entry. Migrants could be surveyed during visits to their home countries or when they return back home.

1. The sampling strategy and the data collection instrument (questionnaire) should be aimed at gathering representative statistics for the concerned country and/or corridors, if major bilateral migration corridors are targeted. However, in a country of origin the sampling strategy may have to be modified to over- sample in regions/villages from which migrant workers are most frequently recruited, to obtain a large enough number of target group respondents for sufficiently precise estimates. Different strategies could be used to design an adequate sampling frame including use of area sampling, use of electricity/mobile bills, combine the information from household surveys with establishment surveys and other administrative registries, where available. If the data is collected through a general household survey in a destination country, the sampling frame may need to be supplemented by collective households (workers' residence, dormitories) likely to serve as dwellings for (foreign) migrant workers. The sampling strategy and the data collection instrument (questionnaire) should all be aimed at gathering representative statistics for the country or for the concerned "corridors", if major bilateral migration corridors are targeted.

3.b. Data collection method

The statistics collected for this indicator should be recognized at the national level as official statistics by the proper authorities in the country producing them, e.g. the National Statistical Office (NSO), the Ministry of Labour (MoL), or other official agency within the system for national official statistics. The NSO, MoL or other official agency should be the counterpart for the collection of statistics on SDG 10.7.1.

The survey data will be collected by NSO using already existing survey instruments.

Survey data: A standalone and succinct module and a set of questions is being developed by the custodians to ensure a harmonized approach in the countries.

The module will be made available to NSO for integration in household survey instruments already in place and will be used by other international household survey programs working with NSO, (such as LSMS and UIS), and can be used by any other complementary survey instrument that meet the SDG quality requirements, while producing data approved and reported by NSO.

Capacity building material will be developed. A tailor-made approach will be applied, where each country will be assisted, upon request, with integration of the essential questions in existing survey instruments and customization.

3.c. Data collection calendar

As of 1st quarter of 2019

3.d. Data release calendar

As of the third quarter of 2019.

3.e. Data providers

National Statistical Offices (NSOs).

3.f. Data compilers

ILO and the World Bank.

3.g. Institutional mandate

4. Other methodological considerations

4.a. Rationale

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 reducing the financial costs of recruitment incurred by migrant workers seeking jobs abroad. Recruitment costs paid by migrant workers to recruitment agents, on top of the fees paid by the employers, are a major drain on poor migrants' incomes and remittances. They divert the money sent by migrants from the family to illicit recruitment agents and money lenders. Almost 10 million people use regular channels to migrate in search of employment every year. A large number of them pay illegal recruitment fees to the recruitment agents.

High costs that migrants pay for their jobs, including recruitment fees, significantly increase risk of forced labour, debt bondage, and human trafficking, especially for low-skilled workers. Too often, 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. The international community, such as through 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.

Policymakers should endeavour to eliminate illegal recruitment fees, and this would require effective regulation and monitoring of recruitment agencies and combating unscrupulous recruiters implemented in constructive collaboration between the sending and the receiving countries. Improving migrants' access to information can help improve the effectiveness of migration–related policies and regulations. The recent ILO General principles and operational guidelines for fair recruitment emphasizes as one of key principles that "No recruitment fees or related costs should be charged to, or otherwise borne by, workers or jobseekers" (http://www.ilo.org/global/topics/fair-recruitment/WCMS_536755/lang--en/index.htm).The indicator is meant to show the levels of costs that are still incurred by migrant workers in order to secure a job abroad, relative to the income they earn from working abroad. The recruitment costs indicator can be expressed as a multiple of the number of monthly earnings for the reporting of the indicator in order to illustrate the financial burden on the worker.

4.b. Comment and limitations

The proposed Guidelines have recommended using one month of earnings as the denominator, and to express the indicator as the proportion of monthly earnings paid by the migrant worker to obtain the job abroad. The Guidelines recommend using earnings of the last month of the first job abroad. However monthly earnings of migrant workers may vary considerably for each month worked, particularly if migrant workers often change their job during their first 12 months abroad. Accordingly, the Guidelines recommend using the first job abroad.

Recall may be an issue if the first job abroad was undertaken many years ago. The Guidelines suggests that when developing the data collection system, the focus should be on migrant workers whose first job abroad happened less than a given period, such as 3 years prior or less.

4.c. Method of computation

RCI = Proportion of recruitment costs in the monthly employment earnings, is a ratio
Calculation:

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

Where

> f may take on various functions' forms, such as: 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.

4.d. Validation

4.e. Adjustments

4.f. Treatment of missing values (i) at country level and (ii) at regional level

- **At country level**

The indicator is expected to be produced on an annual basis subject to a country's administration of household-based surveys. In years when a household survey is not conducted, the indicator will not be reported. Imputation of missing values at this level is not feasible given the complex interplay of various agents and factors that directly and indirectly influence the indicator.

- **At regional and global levels**

As recruitments costs are country-specific, there is no aggregation at the regional or global level.

4.g. Regional aggregations

No regional aggregates will be produced for this indicator.

4.h. Methods and guidance available to countries for the compilation of the data at the national level

Draft guidelines for countries has been prepared by the World Bank and ILO. Please refer to attachment "Statistics for SDG indicator 10.7.1 Draft Guidelines for their Collection.

4.i. Quality management

4.j Quality assurance

Consultations on the methodology and draft guidelines took place earlier in April and June 2018 with NSOs experts from Bangladesh, India, Korea (Republic of), Sri Lanka, Germany Israel, Mexico, Tunisia, Turkey and Unites States of America. The latest of such consultation took place in September 2018 with representatives of NSOs from Indonesia, Jamaica, Laos PDR, Malaysia, Mexico, Nigeria, Philippines, Senegal, Sri Lanka, Thailand and Uganda in Washington D.C , who provided additional revisions and endorsed the draft Guidelines, as ready to be implemented at national level.

4.k Quality assessment

5. Data availability and disaggregation

Data availability:
During various development stages of the methodologies from 2014 to 2016, the following 10 countries were involved in initial small-scale pilot tests of the methodology: Ethiopia in Africa; Mexico in Latin America; India, Malaysia, Nepal, Pakistan, Russia, and the Philippines in Asia and the Pacific; and Italy in Europe. The datasets and documentation for these surveys are be found at https://www.knomad.org/data/recruitment-costs.

These survey have produced data for the following countries/corridors: Indonesia – Korea; Thailand – Korea; Vietnam – Korea; Vietnam – Malaysia;The Philippines – Qatar;Nepal – Qatar; India – Qatar;India – Kuwait; Bangladesh – Kuwait;Sri Lanka – Kuwait;Egypt – Kuwait;Ethiopia – Saudi Arabia; Pakistan – Saudi Arabia;Pakistan – UAE;Ecuador – Spain;Morocco – Spain;Bulgaria – Spain;Poland – Spain;Guatemala – Mexico;Honduras – Mexico ;El Salvador – Mexico; Russia – Kyrgzstan; Russia -Tajikistan; Russia – Uzbekistan; India-Saudi Arabia; Philippines-Saudi Arabia; Nepal – Sauidi Arabia; Nepal – Malaysia; Nepal – Qatar.

Much recently at national level, the Lao PDR Statistics Bureau was involved in conducting a pilot of the draft methodology using its LFS 2017 with an additional module on migration costs.

Time series:
In principle, the countries are expected to collect data one every two years, depending on the data production capacity of the country.

Disaggregation:
Desired disaggregation includes: sex, age group, education groups, and major destination countries (as recruitment costs have been documented to vary considerably by migration corridors).

Additional statistics may be presented by:

- type of migration process (documented, undocumented migrant workers)
- occupation (ISCO-08): to assess skills levels such as high-skill and low-skill groups
- major occupational groups: to assess which skills groups have the highest recruitment costs
- major industry (ISIC Rev.4): to assess main sectors where migrant workers are engaged and to assess recruitment costs in industries of key policy concern (e.g. agriculture, construction, retail, and domestic work)

6. Comparability / deviation from international standards

Sources of discrepancies:
Not applicable for this indicator.

7. References and Documentation

URL: https://www.knomad.org/data/recruitment-costs.

References:
KNOMAD and ILO (2018)**, "**Statistics for SDG indicator 10.7.1 Draft Guidelines for their Collection."
KNOMAD. 2016. "KNOMAD-ILO Migration Costs Surveys 2015 Dataset: User's Guide"
KNOMAD. 2016. "KNOMAD-ILO Migration Costs Surveys 2016 Dataset: User's Guide"