SDG 10.7.1: Reducing Recruitment Costs

Sixteenth Coordination Meeting on International Migration, Feb 15-16th 2018
Sustainable Development Goal 10.7

- SDG 10.7: Facilitate safe, orderly and responsible migration through planned and well-managed migration policies

- SDG indicator 10.7.1: Recruitment cost borne by employees as a % of yearly income earned in the destination country
Reduce recruitment costs

$4,000

$4 Billion
for every 1 million migrants

$0
What are worker’s paid recruitment costs?

• Definition: Monetary costs involved in each step of securing regular employment by a migrant worker

• Components:
  o Recruitment service fees paid to recruitment agent/agency/broker
  o Document cost: Passport, visa, medical certificate, security clearance, language test
  o Transportation cost
  o Informal payments
Recruitment cost indicator (RCI)

- Bilateral RCI for each origin-destination (OD) country corridor is a function of recruitment costs paid as a multiple of monthly foreign earnings received (on arrival)

\[ RCI_{OD} = f \left( \frac{c_i}{y_i} \right) \]

- Bilateral RCI:
  - \( c_i \): the total recruitment costs paid by worker \( i \)
  - \( y_i \): monthly foreign wage, including overtime, after deducting taxes and social-security contributions

- Various functional forms, \( f \): mean, median, 4\(^{th}\) quintile
- Could be calculated for sub-categories such employment sector or year of arrival
<table>
<thead>
<tr>
<th>Year</th>
<th>Corridors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>Ethiopia-KSA, India-Qatar, Nepal-Qatar,</td>
</tr>
<tr>
<td></td>
<td>Philippines-Qatar, Vietnam-Malaysia, Pakistan</td>
</tr>
<tr>
<td></td>
<td>• To Saudi Arabia, UAE</td>
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<tr>
<td>2016</td>
<td>India-Saudi Arabia, Philippines-Saudi Arabia,</td>
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<td></td>
<td>Nepal</td>
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<td></td>
<td>• To Saudi Arabia, Malaysia, Qatar</td>
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<tr>
<td></td>
<td>Non-contractual</td>
</tr>
<tr>
<td></td>
<td>Italy</td>
</tr>
<tr>
<td></td>
<td>• From Egypt, Senegal, West Africa CFA, West</td>
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<tr>
<td></td>
<td>Africa</td>
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<tr>
<td></td>
<td>Mexico</td>
</tr>
<tr>
<td></td>
<td>• From El Salvador, Guatemala, Honduras</td>
</tr>
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<td></td>
<td>Russia</td>
</tr>
<tr>
<td></td>
<td>• From Kyrgyzstan, Tajikistan, Uzbekistan</td>
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</tbody>
</table>
Recruitment costs can be exorbitant, highly regressive.

Source: KNOMAD/ILO
Recruitment costs in various corridors

Source: KNOMAD/ILO
Measuring recruitment costs: SDG Indicator 10.7.1

Guidelines for NSOs

• Ad-hoc surveys tailored specifically to migrant workers
  • General guidelines to be tailored to country contexts
  • Building on existing KNOMAD work: rich experience of previous KNOMAD-ILO costs surveys

• Findings should be comparable across countries
  • Balancing pros and cons of conducting surveys in both CoOs and CoDs.

• Within countries, findings should be representative of…
  • Corridors?
  • Sectors?
Measuring recruitment costs

Next steps

• Guidelines for NSO’s currently being developed

• Validation workshop with experts and NSO’s foreseen in April
  • Capitalizing on ILO recruitment cost surveys already foreseen in Asia

• Validated guidelines to be discussed at October ICLS

• Indicator 10.7.1 still at Tier III
THANK YOU

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Fair Recruitment Guidelines