

Reducing Recruitment Costs

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Key messages

- Recruitment costs are high, regressive and non-transparent
- Recruitment costs can be reduced significantly via regulation and monitoring of recruitment practices, educating migrants about their rights, and cooperation between sending and receiving countries
- Reducing recruitment costs will benefit the migrant, the employers and migrant's families left behind; it will also encourage more regular migration

Recruitment costs can be high

Destination/ Occupation	Sending country	Average migration cost	In months of wages
Domestic worker in Hong Kong	Indonesia	\$2,708	5.4
	Philippines	\$1,719	3.4
Construction worker in Middle East	Nepal	\$1,200	6.0
	Bangladesh	\$2,891	14.5

Sources: ITUC, IMWU and HKCTU, June 2012; APL-HK and PLU, April 2013; Martin 2013, Human Rights Watch 2013, World Bank 2011 (Nepal report), Korea's EPS. These data should be viewed as preliminary.

What constitutes migration cost?

- Document cost
 - National documents: Passport, visa, residency permits
 - Security-related: Medical check-up, security clearance
 - Skills/competency-related: Language test
- Transportation cost
 - Internal transportation cost to obtain required documents.
 - International transportation cost to cross borders.
- Recruitment service fees paid to recruiters

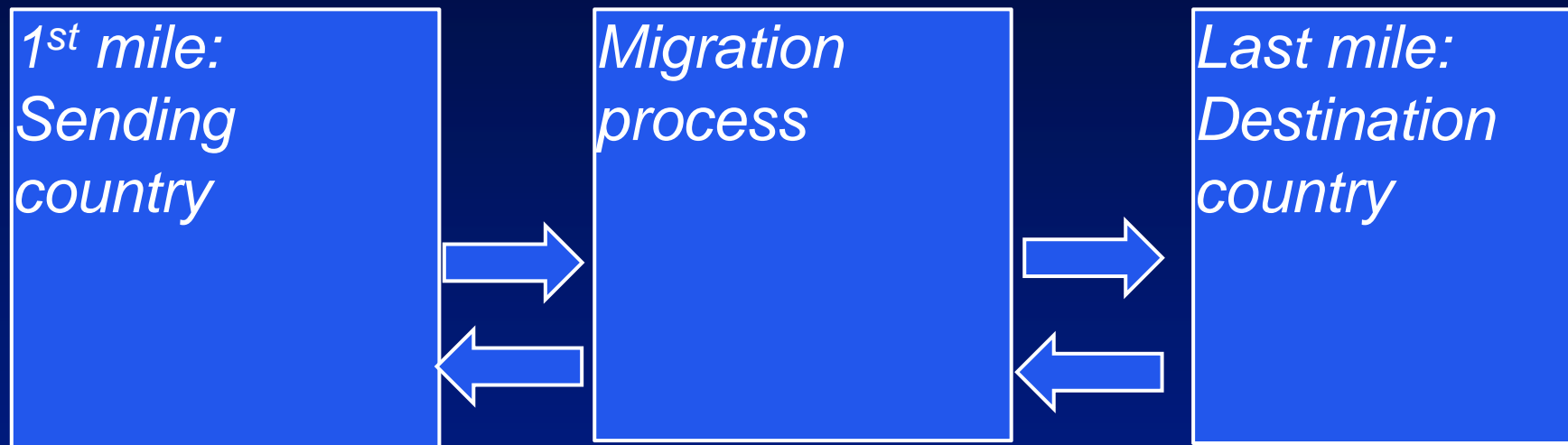
Key questions

- How to reduce the cost?
- By how much?
- Who will benefit?

Recruitment process



Recruitment process



How to reduce recruitment costs

1st mile: Sending country

Regulate recruitment agencies

Educate potential migrants about their rights as workers

Equip embassies abroad to provide services to migrant workers, especially open windows for consultations and complaints

Negotiate with destination countries about employment conditions of workers

Publish data on recruitment costs by job category

How to reduce recruitment costs

Last mile: Destination country

Regulate employers and recruitment practices

(Korea: government-managed Employment Permit System, recruitment cost declined to \$950 in 2012 from \$3,509 in 2001)

Educate migrants about their rights and employment conditions

Work with sending countries

Publish data on recruitment costs

How to reduce recruitment costs

2nd mile: Migration/Transportation

Examine visa policies

Streamline passport issuance

Post information on employment opportunities to facilitate job-matching

Provide loans for migration costs? Perhaps not.

How much reduction in recruitment costs is feasible?

- Compare with the cost of recruiting high-skilled migrant workers (e.g., nurses)
- Develop bilateral matrices of recruitment costs for agricultural workers, construction workers and domestic workers

Who would benefit from lower migration costs?

- Migrants incomes, savings, remittances would increase; loan burden would decrease
- Employers would also benefit
- Sending countries would earn foreign exchange via remittances and investments by migrants
- Irregular migration is likely to decrease
- Need for a good analytical study on benefits of reducing recruitment costs

KNOMAD work program on reducing migration costs

- Attempt to build bilateral matrices of migration costs comparable across top migration corridors, through field surveys
- Phase I (2013/4): Pre-pilot survey in Spain, Pilot survey in Kuwait and Korea (ILO's survey in UAE and Malaysia). Methodological workshop in Thailand in March 2014.
- Phase II (2014/5): Pilot survey in US, Mexico, Russia, and South Africa.
- Phase III (2015/6): Survey part of national labor force survey in selected countries. Publish questionnaire as a global knowledge product. Benchmark/index a recruitment cost to achieve as part of global development agenda.
- Collaboration with ILO, with Manuela, Michele, Manolo, Nilim and Phil

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Global Knowledge Partnership on Migration and Development



Thank you

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