SDG indicator metadata

(Harmonized metadata template - format version 1.1)

0. Indicator information (SDG_INDICATOR_INFO)

0.a. Goal (SDG_GOAL)

Goal 10: Reduce inequality within and among countries

0.b. Target (SDG_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 (SDG_INDICATOR)

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

0.d. Series (SDG_SERIES_DESCR)

Migrant Recruitment Costs

0.e. Metadata update (META_LAST_UPDATE)

2022-05-18

0.f. Related indicators (SDG_RELATED_INDICATORS)

Not applicable

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

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

1. Data reporter (CONTACT)

1.a. Organisation (CONTACT_ORGANISATION)

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

2. Definition, concepts, and classifications (IND_DEF_CON_CLASS)

2.a. Definition and concepts (STAT_CONC_DEF)

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 workers who, in a recent past period, changed their country of usual residence in order to work as wage or salary earners in another country, whether they were engaged through formal or through 'informal' recruitment processes.

This includes international migrant workers and/or international return migrant workers, as per the country of measurement. Excluded are migrant workers who moved to a foreign country for self-employment purposes, short-term migrant workers who (are/were) employed in a foreign country for such short-periods that they (do/did) not change their usual residence (often taken as residence in a country for at least 12 months). Also excluded are persons who migrated to a destination country with intentions other than employment such as for leisure, tourism, family union, education and the like, even if they end up working in the foreign country at a later date, as they are not likely to incur recruitment costs since their primary motive for the move was not work related. However, employed persons who moved to a destination country with employment intentions but without work visas are covered.

Reference period: the statistics/estimates on costs and earnings used to calculate 10.7.1 should refer to the first job obtained in the last country of destination, within a recent past period (e.g. 3 years prior to the date of measurement).

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: The measure of earnings for the calculation of recruitment costs should be the monthly earnings in the first job held in the last destination country within the established recent past period. Monthly earnings should cover the actual income received for the first full month of employment within the reference period, 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 (UNIT_MEASURE)

The recruitment cost indicator is a ratio between a cost measure and an income measure. It may be viewed as a duration expressed in months of earnings; i.e. the duration in terms of months of earnings that it takes for an international migrant employee to recover the cost of his or her recruitment.

2.c. Classifications (CLASS_SYSTEM)

Not applicable

3. Data source type and data collection method (SRC_TYPE_COLL_METHOD)

3.a. Data sources (SOURCE_TYPE)

Statistics on SDG indicator 10.7.1 should be collected primarily by using existing data collection systems, particularly household-based surveys. This will ensure coherence with existing national sources,

methodologies and sampling frames, including types of interviews, field organization, etc. It will also contribute to the long-term sustainability of data collection on this topic.

A large-scale national 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).

The most appropriate surveys to include measurement of SDG 10.7.1 include household-based surveys designed to capture the target population, such as a dedicated migration survey, if these exist in the country, as well as national large-scale household surveys covering closely related topics, particularly employment and/or earnings (such as a labour force survey, household income and expenditure survey, or multi-purpose surveys that include questions on employment and migration). Data collected through household surveys 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 may be considered.

3.b. Data collection method (COLL_METHOD)

To calculate the SDG indicator 10.7.1, information on costs and earnings should be collected at person level for the target population (e.g. international migrant workers and/or international return migrant workers). The selected household survey should use a sampling strategy and data collection instrument (questionnaire) designed to gather representative statistics for the concerned country and/or corridors, if major bilateral migration corridors are targeted.

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.

In a destination country, the sampling frame for the household survey may, in addition, need to be supplemented with a frame covering collective households (workers' residence, dormitories) likely to serve as dwellings for international migrant workers.

Additionally, questions on the costs and earnings of migrant workers need to be added to the existing standard questionnaire in both origin and destination countries, such as by adding a migration module or including survey questions on recruitment costs in an existing migration module. Model recruitment costs modules and operational guidance, aligned with the *draft Guidelines for the collection of statistics for SDG indicator 10.7.1*, are available in the [*Operational Manual on Recruitment Costs -SDG 10.7.1*](link) (December 2019) prepared by the ILO and World Bank as co-custodian agencies.

3.c. Data collection calendar (FREQ_COLL)

SDG 10.7.1 is a tier II indicator since October 2019. At present, National Statistical Offices are at different stages of piloting the current methodology and data collection strategy at nationa level. It is recommended that National Statistical Offices in countries with important inflows or outflows of

international migrant workers and/or international return migrant workers collect statistics on SDG 10.7.1 every few years, so as to monitor trends and inform policy formulation and planning.

3.d. Data release calendar (REL_CAL_POLICY)

SDG 10.7.1 is a tier II indicator since October 2019. At present, National Statistical Offices are at different stages of piloting the current methodology and data collection strategy at nationa level. It is recommended that National Statistical Offices release official estimates for SDG 10.7.1 in a timely manner, once the methodology and data collection strategy have been established at national level.

3.e. Data providers (DATA_SOURCE)

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.

3.f. Data compilers (COMPILING_ORG)

ILO and the World Bank.

3.g. Institutional mandate (INST_MANDATE)

The ILO is the UN focal point for labour statistics. It sets international standards for labour statistics through the International Conference of Labour Statisticians (ICLS). It also compiles and produces labour statistics with the goal of disseminating internationally-comparable datasets, and provides technical assistance and training to ILO member States to support their efforts to produce high quality labour market data.

4. Other methodological considerations (OTHER_METHOD)

4.a. Rationale (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 (REC_USE_LIM)

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 recognize as most relevant for calculation of recruitment costs the earnings of the first job held in the last or most recent country of destination. 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 actual income received for the first month of employment, including bonuses and other earnings (e.g. for over-time work).

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 international migrant workers or international return migrant workers who started their first job in their last or most recent country of destination within a recent past period (e.g. in the last 3 years prior to the date of measurement).

4.c. Method of computation (DATA_COMP)

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 (DATA_VALIDATION)

SDG 10.7.1 was reclassified as a tier II indicator on October 2019. At present, National Statistical Offices are at different stages of piloting the methodology and data collection strategy at nationa level. The ILO, as co-custodian agency, provides ongoing technical support to countries with the planning, conduct,

analysis and quality assessment of the resulting data. Only data on SDG 10.7.1 that has been officially published by the relevant national authority is reported to the SDGs Indicators Database.

4.e. Adjustments (ADJUSTMENT)

Not applicable

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

- **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 (REG_AGG)

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 (DOC_METHOD)

ILO and the WB, as co-custodians of SDG Indicator 10.7.1, issued in October 2019, a set of draft *Guidelines for the collection of statistics for SDG indicator 10.7.1*. The draft Guidelines were validated through a consultative process with National Statistical Offices and as a result of this process the Inter-Agency and Expert Group on Sustainable Development Goals (IAEG-SDG) moved SDG indicator 10.7.1 from Tier 3 to Tier 2, in October 2019.

The validated Guidelines and an accompanying Operational Manual are available at:

Statistics for SDG indicator 10.7.1 Draft Guidelines for their Collection:
https://www.ilo.org/global/topics/labour-migration/publications/WCMS_670175/lang--en/index.htm

Operational Manual on Recruitment Costs -SDG 10.7.1:
https://www.ilo.org/global/topics/labour-migration/WCMS_745663/lang--en/index.htm

4.i. Quality management (QUALITY_MGMNT)

Not applicable

4.j Quality assurance (QUALITY_ASSURE)

Not applicable

4.k Quality assessment (QUALITY_ASSMNT)

ILO provides ongoing support to National Statistical Offices with planning and conducting household surveys covering measurement of migrant recruitment costs, as well as with the analysis of the results and report drafting. Results are assessed in terms of achieved sample size, standard errors associated with the main results, issues with disaggregation by essential characteristics and potential coverage issues. Results for selected pilot survey implementations are available in the ILO website at: https://www.ilo.org/global/topics/fair-recruitment/WCMS_726736/lang--en/index.htm

5. Data availability and disaggregation (COVERAGE)

Following the reclassification of SDG indicator 10.7.1 from tier III to tier II on October 2019, a number of countries have conducted activities to pilot the methodology and data collection strategy at national level. As of February 2022, these include: Bangladesh, Cambodia, Ghana, Indonesia, Lao PDR, Maldives, Mexico, Nepal, Philippines, South Korea, and Vietnam. Results for selected national pilot survey implementations are available in the ILO website at: https://www.ilo.org/global/topics/fair-recruitment/WCMS_726736/lang--en/index.htm

To complement official SDG 10.7.1 data, the ILO and the Global Knowledge Partnership on Migration and Development (KNOMAD), which is hosted at the World Bank, have supported several rounds of small scale Migration and Recruitment Costs Surveys for research and advocacy purposes. These surveys cover selected bilateral corridors.
The datasets and documentation for these surveys can be found at:
https://www.knomad.org/data/recruitment-costs.

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 (COMPARABILITY)

Sources of discrepancies:
Not applicable for this indicator.

7. References and Documentation (OTHER_DOC)

ILO-KNOMAD. 2019. Statistics for SDG indicator 10.7.1 Draft Guidelines for their Collection, available at: https://www.ilo.org/global/topics/labour-migration/publications/WCMS_670175/lang--en/index.htm

ILO-KNOMAD. 2019. Operational Manual on SDG 10.7.1 recruitment costs, available at: https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---migrant/documents/publication/wcms_745663.pdf

KNOMAD. 2016. "KNOMAD-ILO Migration Costs Surveys 2015 Dataset: User's Guide"
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https://www.knomad.org/data/recruitment-costs