 

**KNOMAD**

**Workshop on Measuring Migration Costs for the Low-skilled**

The World Bank, Washington DC

MC7-100

November 16-17, 2015

**Summary**

1. This note summarizes the main points of the workshop, jointly organised by the World Bank’s KNOMAD Thematic Working Group (TWG) on Low-skilled labor migration and the International Labour Organization (ILO), and held in Washington, DC on November 16-17, 2015. The workshop brought together field survey researchers and ILO staff who have been involved in the migration costs surveys in Ethiopia, India, Malaysia, Mexico, Nepal, Pakistan and the Philippines as well as technical experts (see Annex I and II for the workshop agenda and the participant list).
2. KNOMAD TWG on Low-skilled labor migration aims to be a platform to generate knowledge and policy expertise on the facilitation of low-skilled labor migration. In this context, since October 2013, the TWG has carried out projects to estimate the size of migration costs borne by low-skilled migrant workers, identify the structure of migration costs and policies to reduce such costs, and explore mechanisms to facilitate cross-border movements and protection of low-skilled labor, including bilateral labor agreements.
3. To achieve these objectives, the TWG has conducted migrant surveys to build a migration cost database that is comparable across migration corridors. It employed face-to-face interviews, using, in 2014/15, the World Bank’s Survey Solutions –Computer-Assisted Personal Interview (CAPI) tool in order to reduce errors and costs and to increase efficiency. This project has created synergies between KNOMAD and ILO and increased the capacity of researchers in the field. ILO’s Regional Office for Asia and the Pacific has conducted migrant surveys, using a version of the KNOMAD questionnaire.
4. The workshop discussed findings from the new migration cost survey dataset and challenges and lessons learned from conducting field surveys, as well as plans and strategies for the new surveys in 2015/16. More specifically, participants discussed practical challenges associated with designing sampling frameworks and conducting CAPI surveys. Therefore, the workshop contributed to enhance technical knowledge on measuring migration costs incurred by low-skilled labor migrants and will improve the quality of surveys and survey implementations in 2015/16.
5. Three conclusions emerged from this workshop: First, it is important to continue to collect migration costs data to identify a global target to reduce recruitment costs and highlight costs that arise during the employment of workers in destination countries. Second, to better understand details behind the data, field surveyors need to document sampling frameworks and survey methods in a detailed manner. Third, while requiring more preparation time, the CAPI method is an efficient survey tool as it helps better control the quality of interviews, better monitor interviews in the field and improve the efficiency in the data collection process.

***Findings from Migration Cost Survey Data***

1. The workshop recognized that developing a migration cost database is the first step toward formulating sound policy recommendations to reduce migration costs that occur at any stage of the labor migration cycle. The database provides analytical underpinnings for a global target to reduce recruitment cost as part of a Sustainable Development Goal (SDG). Reduction of migration costs paid by workers would benefit all parties involved and consequently increase the amount of remittances to migrant family households. It would also improve the work and living conditions of migrant workers, which would reduce the vulnerability, and enhance the welfare of migrant workers in destination countries.
2. Migration costs arise at any stage of the labor migration cycle and take various forms – financial, opportunity, and social costs. Direct financial costs related to recruitment or deployment can be a barrier to labor mobility and make workers vulnerable to exploitations. In general employers pay recruitment costs for the high-skilled, but low-skilled workers tend to pay high costs out of their pockets. These costs may reflect rents by intermediaries, which arise from wage gaps between home and destination countries (e.g., Pakistan) as well as from quotas on migrant workers by origin country imposed by a destination government. In some destination countries where labor migration is subject to a sponsorship (*kafala*) system, a trade in work visas has emerged. Qatar recently announced changes to its *kafala* system, but it is too early to gauge the effectiveness of these changes to reduce recruitment costs. Origin countries try to control recruitment costs by setting ceilings on recruitment fees to be charged to workers (e.g., Ethiopia, India, Nepal and the Philippines), but in practice, low-skilled workers often pay more.
3. KNOMAD survey data suggest that structural factors better explain the migration costs, rather than migrant characteristics. Preliminary findings indicate that, for a similar low-skilled job, worker-paid recruitment costs vary by migration corridor, ranging from equivalent to one-month earning (e.g., migrant workers in Korea) up to 15 month earnings (e.g., Pakistani migrants who returned from Saudi Arabia). High upfront financial costs can result in pushing workers to take an irregular path of migration (e.g., Ethiopia). Moreover, high cost components differ by origin countries for the same destination – for instance, visa-related fees for Pakistani workers and recruitment agent-related fees for Indian workers who went to the Middle East and Vietnamese workers to Malaysia, and transportation costs for workers going to Korea. With respect to the Middle East corridor, survey results indicate that the majority of workers went there through local recruitment agencies, further confirming that gains from managing the recruitment process efficiently can be high. Across different corridors, it appears that female domestic workers tend to pay less than male migrant workers, benefiting from bilateral labor arrangements designed for the employment of domestic workers.
4. Survey data also shed light on costs borne by migrant workers during their stay and employment in destination countries. These costs tend to be hidden or unpredictable and, thus, would be one key impediment to achieving SDG goals, in particular SDG 8. The survey data capture some of these costs, including lack of a written contract or contract substitution, any differentials between promised wages and actual ones, wage differentials between natives and migrant workers for the same type of work, irregular payments of wages, unlawful deductions from wages, lack of compensations for work-related injuries, as well as long hours of work. Analyses of the data reveal that work conditions differ by type of occupations (gender-biased), by nationalities of the workers as well as by destination. For instance, Ethiopian female respondents who worked in Saudi Arabia as domestic workers reported working an average 120 hours per week, versus 70 hours for Ethiopian males who worked as laborers in the construction sector. This indicates that there is need for establishing effective and inclusive labor market institutions in destination countries and for improving cooperation between destination and origin countries. Analyses suggest that bilateral labor agreements is an effective instrument, if implemented, to set minimum standards on living and working conditions for low-skilled migrant workers, which reflect gender-specific needs.

***Analyzing Migration Costs from the Value Chain Framework***

1. The ongoing work to analyze migration costs from the value chain framework helps better understand what explains these varying migration costs – i.e., what lies behind these costs. The initial work on the value chain of migration cost incurred by Sri Lankan workers to go to Saudi Arabia and Korea maps actors in the labor migration cycle and details migration costs by actor, which may help to identify rents captured by certain actors. The early work suggests value chain interventions: a vertical integration of sub-agents and recruitment agencies for the deployment process to Saudi Arabia; and the elimination of Sri Lanka bond requirements for workers going to Korea. The meeting suggested broadening the scope of the analysis: (i) in terms of costs, to cover opportunity costs as well as costs related to staying in destination countries (thus identifying disposable income), (ii) to conduct the study for other origin countries for the same type of jobs in the same destination, and (iii) to compare costs by sector.

***Challenges and Lessons Learned from Conducting Migrant Surveys***

1. While it is desirable to have uniform survey strategies across survey corridors, participants recognized that practical constrains require flexibility to interview migrant workers. Most field teams were able to adhere to the sample stratification strategies of face-to-face interviews with workers who left (arrived) the origin country (at the destination country) in 2011 or after, and who engaged in the construction, agriculture, and domestic work or manufacturing sector. On the other hand, random sampling to obtain population-representative samples was a challenge, because (i) information on reference population is thin, (ii) access to migrant workers in destinations can be limited (e.g., Malaysia), (iii) while interviewing returnees in origin countries address the limitation of the access to migrants, airport interceptions of returning migrants were unrealistic owing to logistical arrangements and other measures in place (e.g., the Philippines), and (iv) airport-intercepted respondents were often in a hurry (e.g., Nepal). While the surveys aim to capture only regular migrants, a corridor where migrants are predominantly irregular needed to expand its samples to irregular migrants (e.g., Ethiopians from Saudi Arabia and Central American migrants in Mexico). Moreover, most samples are balanced by gender, but those of India, Pakistan and Nepal were mostly male respondents since, proportionately, fewer female workers from these countries work in Qatar or Saudi Arabia.
2. As a result, sampling frameworks and methods can vary significantly even within the same survey country, suggesting the importance of documenting details on survey methods, survey time, periods, locations, resources, response rates, and other information that could possibly influence the responses, as well as some information on respondents who chose not to be interviewed. This documentation will help to better understand the data, especially when there are systematic differences by sampling location or period. In this context, it would be useful to prepare manuals on sampling framework and methods, as well as on survey principles. Experience suggested that the implementation of surveys requires flexibility. For instance, surveys in Nepal were delayed owing to the April 2015 earthquake, followed by the ongoing fuel crisis in September.
3. In terms of the quality of survey responses, the meeting found that in general, respondents were willing to engage with interviewers and were able to recall costs that they had to pay in order to secure their jobs abroad. Many respondents in India and some in other corridors, paid a lump sum amount to recruitment agents, did not know what they paid for specific items such as visas, passports, etc. In addition, some questions require extra caution in interpretation to avoid double-counting. For instance, “broker fee” may include costs other than for recruiter’s services. The meeting confirmed that focus group discussions can serve as a tool to validate survey data, as well as qualitative inputs to better understand why certain costs rise and stories behind varying earnings.
4. The survey questionnaire needs further improvement to eliminate any scope for interpretations and to capture clearer responses. For instance, survey questions on recruitment agencies can be unclear in the environment where there are multiple layers of recruitment business – recruitment agencies, agents and sub-agents, and where enforcement is weak – legal or illegal agents. The question on costs incurred in previous failed attempts to go abroad must specify the look-back period.
5. Participants agreed that the World Bank Survey Solutions – CAPI is an efficient tool to conduct face-to-face interviews. The meeting reported that CAPI is user-friendly, and time- and financial cost-saving, the CAPI team’s support for training and timely responses to technical difficulties were crucial to the successful implementation of CAPI-based surveys; in short, the use of the CAPI tool enhanced the capacity of the field survey teams. As widely recognized, internet connectivity and the battery life of tablets were downsides of using a CAPI. While Survey Solutions – CAPI is a robust software, it comes with certain rigidity. The success of CAPI-based surveys rests on a well-designed questionnaire: field survey experience highlighted the need for multiple pilot tests to check if all validations and conditions embedded in survey questions are properly done. Participants recognized that over-validations of survey questions may expose questionnaires to risks of manipulation of responses by enumerators. Participants learned that the latest version of Survey Solutions - CAPI has strengthened data management and collection functions to control the quality of interviews.

***Plan for 2015/16 and Next Steps***

1. In 2015/16, KNOMAD and ILO will continue to conduct migration cost surveys in different migration corridors. KNOMAD aims to conduct surveys with low-skilled migrants in Italy, Russia, and South Africa, while ILO Regional Office for Asia and the Pacific plans to conduct the surveys with migrant workers from Cambodia and Myanmar in Thailand (sampling both regular and irregular workers) and migrant domestic workers from Indonesia and the Philippines in Singapore and perhaps Chinese migrants in Europe. A Swedish research institute plans to use the KNOMAD survey questionnaire to interview Thai workers who go to Sweden to pick berries, with the support from the Swedish government. Qatar University is likely to join the KNOMAD project by conducting surveys in both Qatar and Bangladesh.
2. Immediate next steps include the following: (i) to further revise the questionnaire through the consultative process with field researchers (KNOMAD Secretariat), (ii) clean a respective survey dataset by mid-December, 2015 (field researchers), and (iii) prepare a country report on field survey methods and findings by end-January 2016, which would be compiled and published as a volume. Upon collecting survey dataset from respective field researchers, KNOMAD will publish a compiled dataset on migration costs on a public domain.

**Annex I. Workshop Agenda**

**November 16 (Monday)**

8:00 **Breakfast and registration**

8:30 **Opening remarks**

 Soonhwa Yi, KNOMAD, The World Bank

 Manolo Abella, Chair of KNOMAD TWG on Low-skilled labor migration

9:00 **Session 1. What have we learned about worker-paid migration costs through surveys conducted in 2014-16?**

*This session discusses the key concept and scope of migration costs and reports key findings from statistical analyses of data gathered from migration cost surveys conducted by KNOMAD and ILO in 2014-15.*

 **Moderator:** Manolo Abella

 **Presenter:** Philip Martin, University of California, Davis

 **Discussan**t: Caglar Ozden, The World Bank

10:15 **Coffee break**

10:30 **Session 2. Value chain analysis of migration costs**

*This session discusses findings from the value chain analysis of migration costs incurred by low-skilled migrant workers in Sri Lanka who worked in Saudi Arabia, Malaysia and Korea.*

 **Moderator:** Soonhwa Yi

 **Presenter:** Bilesha Weeraratne, Institute of Policy Studies of Sri Lanka

 **Discussant**: Jean-Christophe Dumont, OECD (via skype)

11:15 **Session 3. Survey questionnaire (I)**

*This session reviews the KNOMAD migration cost survey questionnaire for both migrants and returnees and discusses scopes for improvements.*

 **Presenter:** Manolo Abella

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12:30 **Brown Bag Lunch Seminar**

 **Opportunity and Social Costs of Low-skilled Labor Migration**

*The seminar presents findings from survey data on opportunity costs related to migration, which may arise from foregone incomes, skill mismatches, work conditions etc.*

**Moderator:** Joan Barrett, US Department of Labor

**Presenter**: Manuela Tomei, Co-Chair of KNOMAD TWG on Low-skilled labor migration; ILO

2:30 **Session 4. Sampling frameworks to survey returnees from Qatar**

*This session discusses country context of low-skilled labor migration and country-specific sampling frameworks employed by field researchers and their rationales.*

**Moderator:** Philip Martin

**Presenters:**

**India -** Prabhu Mohapatra, University of Delhi

**Nepal -** Ganesh Gurung, Nepal National Institute of Development Studies

**Philippines -** Carl Daquio, Philippine Institute of Labor Studies

**Discussant:** Gero Carletto, The World Bank

4:15 **Coffee break**

4:30 **Session 5. Sampling frameworks to survey returnees from Saudi Arabia**

*This session discusses country context of low-skilled labor migration and country-specific sampling frameworks employed by field researchers and their rationales.*

**Moderator:** Anna Engblom, ILO

**Presenters:**

**Ethiopia –** Adamnesh Atnafu, Addis Ababa University, Ethiopia

**Pakistan** - Nasir Iqbal, Pakistan Institute of Development Economics

 **Discussant:** Daniel Carroll, US Department of Labor

6:00 **Wrap up**

Soonhwa Yi, KNOMAD, The World Bank

6:30  **Workshop dinner**

**November 17 (Tuesday)**

9:00 Breakfast

9:30 **Sustainable Development Goals and Reduction of Recruitment Costs**

 **Presenter:** Dilip Ratha, head, KONAD, the World Bank

10:00 **Session 6.Sampling frameworks to survey migrants in destination countries**

*This session discusses the country context of low-skilled labor migration and country-specific sampling frameworks employed by field researchers and their rationales.*

**Moderator:** Manuela Tomei

**Presenters:**

**Malaysia -** Lim Ai Lee, PE Research, Malaysia

**Mexico** –Claudia Ramirez, CIESAS, Mexico

 **Discussant:** Diane Steele, The World Bank

11:30 **Session 7. Survey questionnaire (II)**

*This session continues to review the KNOMAD migration cost survey questionnaire for both migrants and returnees and discusses scopes for improvements.*

 **Moderator:** Manolo Abella

12:00 **Lunch**

1:30 **Session 8. Computer-Assisted Personal Interview method**

*This session discusses challenges and lessons learned from employing the World Bank Survey Solutions - CAPI in conducting field surveys.*

 **Moderator:**  Aida Awel, ILO

 **Presenters:**

**India -** Prabhu Mohapatra

**Nepal -** Ganesh Gurung

**Philippines -** Carl Daquio

**Ethiopia –** Adamnesh Atnafu

**Pakistan** - Nasir Iqbal

**Malaysia -** Lim Ai Lee

**Discussant**: Michael Lokshin, The World Bank

3:30 **Coffee break**

3:45 **Session 9. Survey strategies for a new round of surveys in destination**

*This session discusses country context of low-skilled labor migration and country-specific survey strategies to be employed by field researchers and their rationales.*

**Moderator:** Daniel Costa**,** Economic Policy Institute

**Presenters:**

**Qatar -** Abdul Mughal, Qatar University

**Thailand/Singapore/China –** Heike Lautenschlager, ILO

**Russia/ South Africa/ Italy and Thailand** – Manolo Abella

5:00 **Next steps**

Manolo Abella

Soonhwa Yi

**Annex II. List of Participants**

| **No.** | **Last name** | **First name** | **Organization** | **Email Address** | **Remarks** |
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