



Reducing Recruitment Costs

Dilip Ratha

World Bank

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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.

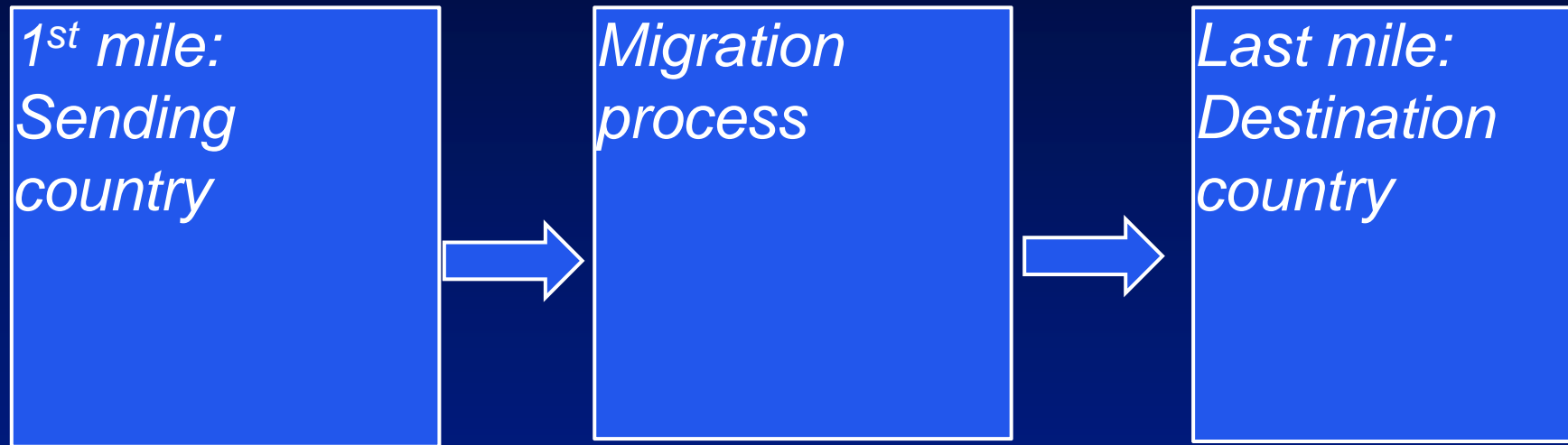
What constitutes migration cost?

- 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

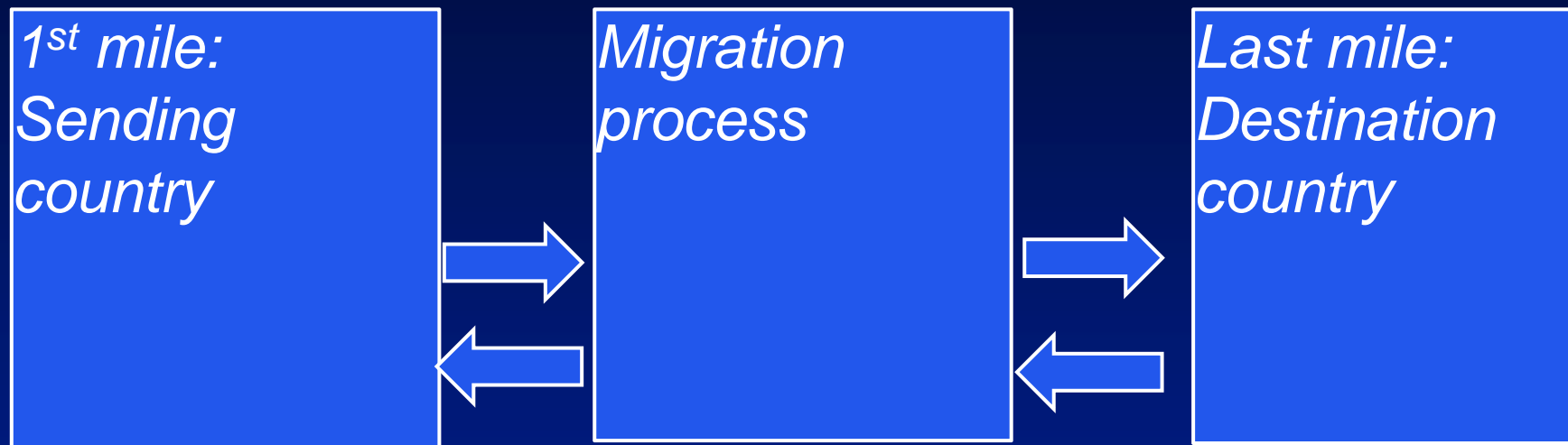
Key questions

- 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

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

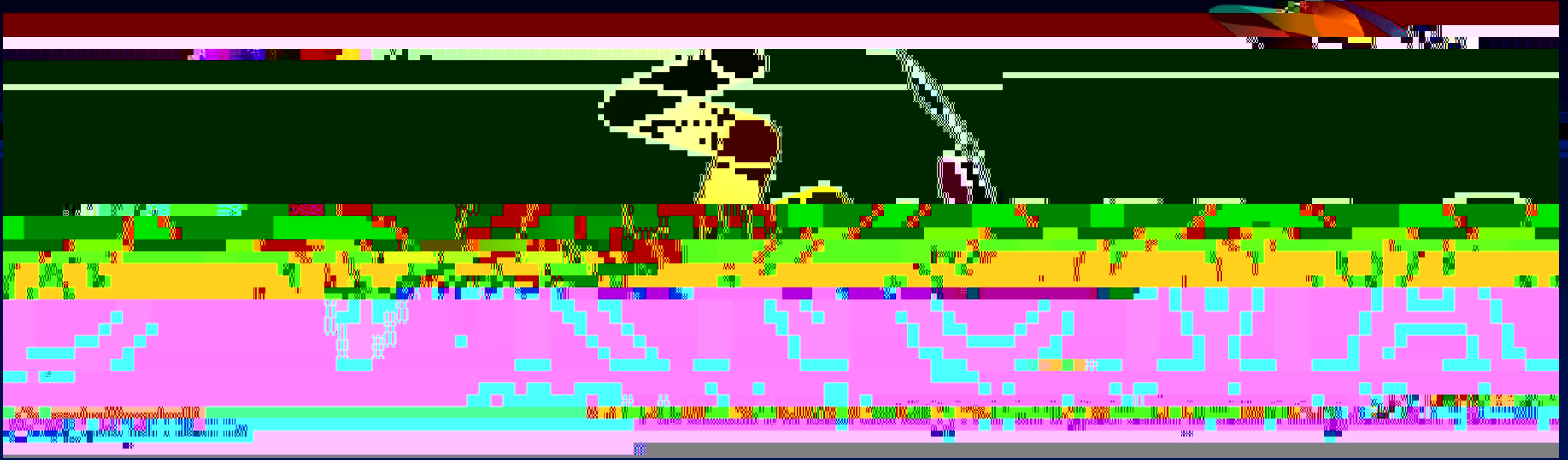
Provide loans for migration costs? Perhaps not.

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
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Thank you

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