Lower Migration Costs to Raise Migration's Benefits

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Abstract

Every year up to 10 million workers leave one country to work in another. Most are guest workers and enter the destination country legally, sometimes paying $1,000 or more to recruiters, governments, and other agents who facilitate their employment abroad. Helping over five million workers a year to move across borders for jobs may be a $10 billion global business, and reducing migration costs could increase remittances and speed development in the workers' countries of origin. This may also improve worker protections, since migrant workers who arrive abroad in debt may be vulnerable to exploitation. Governments have cooperated to reduce remittance costs. They could further reduce worker-paid migration costs by implementing a wide range of policies, from negotiating free-movement regimes to sending workers abroad only via government agencies. The highest worker-paid costs arise in complex systems that involve recruiters in both sending and receiving countries. Reducing recruitment costs is an important key to ensure that migrant workers are protected. This would also increase the rate at which development occurs in migrant-sending countries.

Keywords: international labor migration, recruitment costs, recruiters

Introduction

The eight Millennium Development Goals (**www.un.org/millenniumgoals**) to be achieved by 2015 do not mention migration. However, reforming international labour migration could speed the achievement of many of the MDGs, including reducing extreme poverty and hunger, increasing education and improving child and maternal health, and promoting global partnerships for development.

Migration can facilitate faster development. Reforming the development framework on migration and increasing flows of workers from poorer to richer countries could help more workers to achieve a better quality of life in their destination countries. The three major migration-related processes that can contribute to development in migrant-sending areas are recruitment, remittances, and returns.

- Recruitment deals with those who migrate. Are migrants persons who would have been unemployed or underemployed at home, or key employees of business and government whose departure leads to layoffs and reduced services?
- Remittances to developing countries exceed $1 billion a day. Can the volume of remittances be increased if more migrants cross borders? How can the cost of transferring small sums between countries be further reduced? Once remittances arrive, are they spent to improve the education and health of children in migrant families, or do they fuel competition for fixed assets, as when land or dowry prices rise?
- Returns refer to migrants who come back to their countries of origin. Do returning migrants bring back new technologies and ideas and

stay, do they circulate between home and abroad, or do they return to rest and retire?

The impact of these 3 R's on the differences between migrant-sending countries varies widely, which is one reason why the link between migration and development is often described as uncertain or unsettled (Skeldon 2008, 1997; Papademetriou and Martin 1991). Economically motivated migration can set in motion virtuous circles, as when young workers who would have been unemployed at home find jobs abroad, send home remittances that reduce poverty and are invested to accelerate economic and job growth, and return with new skills and technologies that lead to new industries and jobs. The result is a convergence in economic conditions and opportunities between sending and receiving areas.

There has been significant international cooperation to reduce remittance costs, and circular migration and diaspora development aim to ensure that migrants contribute to their countries of origin. There is a need, however, for more cooperation to reduce recruitment costs. Reducing recruitment costs was a theme of the UN's High-Level Dialogue on Migration and Development in October 2013 (**http://migration.ucdavis.edu/mn/more.php?id=3892_0_5_0**), and is a focus of KNOMAD (**www.knomad.org**) efforts to measure recruitment costs.

Understanding recruitment costs and the efforts to reduce them requires a brief discussion of labour markets, which have three major functions: recruitment, remuneration, and retention. Recruitment matches workers with jobs, remuneration, or the wage and benefit system, motivates workers to perform, and retention identifies the best workers and develops methods to promote and keep them employed.

The primary goal of labour markets is to match workers to appropriate jobs, oversee that the work is performed adequately, and provide monetary wages and work-related benefits in exchange for their workers' time. Unlike many other market transactions, this work is unusual because it requires a continuous relationship between employer and employee. Employers and workers interact constantly in the workplace, as supervisors assess employee performance and workers consider their satisfaction with the job. Employers may terminate unsatisfactory workers, and dis-satisfied workers may quit their jobs.

National borders can complicate the three-R labour market processes. For example, if jobs are in one country and workers are in another, language differences, variance in training and occupational standards, and varying definitions of skills and occupations can make it harder to match workers and jobs efficiently. Employers may have to rely on intermediary recruiters to find workers, and governments in both sending and receiving countries may have to approve employer job offers and check the health and skills of workers selected by recruiters before they cross borders to fill jobs.

The other two R-functions may also be complicated by national borders. For example, it is harder to determine appropriate remuneration when employers do not share the language and culture of their employees, leading to misunderstandings and disputes about employee responsibilities and performance, especially if low-skilled workers sign contracts that they do not fully understand. Productivity can be affected by the expiration of work visas that require workers to return to their countries of origin.

In labour markets, asymmetric information is exchanged (Akerlof 1970). Employers are most knowledgeable about the jobs they offer, and workers know more than employers about their abilities and competencies. Employers have developed a variety of strategies to screen and hire the best workers, including setting minimum education and experience requirements, asking current workers to refer qualified friends and relatives, and advertising or using recruiters to find qualified workers. Meanwhile, workers may signal their abilities to employers by earning credentials and certificates and gaining experience that demonstrate they will be good employees. Screening and signalling has been a core concern of labour economics (Riley 2001).

When workers and employers do not share a common language or don't have experience with the same education and training systems, they often rely on intermediaries to facilitate worker-job matches (Autor 2009). Recruiters who understand the job requirements find and screen workers to fill them. When low-skilled workers face a high turnover in employment, recruiters may act as the port of entry into a business, as all new hires enter the workplace via recruiters. Workers sometimes access these recruiters via temporary help firms. If these workers prove to be satisfactory after a probationary period, they may make the transition to work as a regular employee of the firm.

National borders add more layers between workers and jobs and often complicate the recruitment process. Employers may turn to recruiters in their own countries to find workers in other countries. These local recruiters may recruit foreign workers directly or transmit employer job offers to recruiters in countries with workers, where local recruiters can proceed to seek out and screen workers. In other words, national borders offer opportunities for recruiter investment and specialization that can make the process of filling vacant jobs more efficient *or* prompt rent-seeking that raises migration costs, as when recruiters act as gatekeepers and charge local workers seeking higher wage-jobs abroad. There is a spectrum of recruiters, from those who rely on word-of-mouth to find workers to those who advertise for and screen interested applicants.

International borders should *increase* employer investment in recruitment to ensure good worker-job matches, but in practice, employers often invest little to recruit low-skilled foreign workers. In addition, they sometimes charge foreign workers to be hired in their companies. If employers can charge workers to be hired and pay them low wages, they may have an incentive to hire too many workers. This may benefit their narrow, short-term economic interest, but can lower productivity and ultimately make them less competitive over time.

The UN and Migration Costs

Developing a framework that protects migrant workers but does not lead to unwanted social costs would give most migrants the economic opportunities they seek. The UN's High-Level Dialogue on migration and development (**www.iom.int/cms/hld2013**) in October 2013 noted the unfairness of worker-paid migration costs rising as worker skill levels fall, so that low-skilled workers pay a higher share of their foreign earnings to recruiters and others than high-skilled workers. Therefore, the UN has pledged new efforts to develop policies that can reduce migration costs.

The HLD's concluding statement laid out five priorities, beginning with the need to integrate migration into the global development agenda, making migration a catalyst for development by protecting the rights of migrants and lowering migration costs. The second HLD priority is to improve lives and work for migrants by lowering remittance costs and improving the recognition and transfer of skills over borders. Third is to develop plans to help migrants in crisis, and fourth is to collect more data on migrants moving within the various migration corridors, including their characteristics as well as migration and remittance costs. The fifth HLD priority is to develop a strategy to achieve the first four priorities, and to have the strategy endorsed by governments.

International cooperation has reduced remittance costs and called attention to the return and reintegration of migrant workers, while the citizens abroad, the diaspora, speed development at home. After the 9/11 terrorist acts, governments cooperated to make it easier to send small sums over borders via regulated financial institutions, and their revised policies plus technology have reduced the cost of sending $300 from one country to another from 15 percent or $45 to 10 percent or $30 over the past decade.

The World Bank projected that remittances to developing countries would surpass $435 billion in 2014, up eight percent from $404 billion in 2013.[1] The average cost of remitting funds was 8.4 percent of the amount transferred, typically $200 to $300, down slightly from 2013. The World Bank's 5x5 program aims to reduce remittance costs by another five percentage points over five years. That is, to lower average remittance costs to less than five percent. Technological innovations, including remittance transfers via cell phones, may help to achieve this goal.

Another potential migration-related spur to development in migrant-sending countries is the diaspora of citizens abroad. Migrants from developing countries who live in high-income countries have an estimated $500 billion in savings in the countries in which they are living. Since they know the conditions in their countries of origin, the diaspora is often first to invest when opportunities appear. Their savings as well as links to investors and firms in the high-income countries can economically help developing countries.

Recruiters and Migration Costs

Wage gaps between countries motivate labour migration. Most workers will not give the entire wage gap to recruiters, but they will pay more than the typical one month's foreign wages that some governments specify as the maximum amount private recruiters should charge to help workers find foreign jobs. If workers have a two-year contract, one month's foreign earnings are 4.2 percent of foreign earnings; on a three-year contract, one month's earnings are 2.8 percent.

Recruiters who match workers and jobs over borders are paid for their services. Employers generally pay some or all recruitment costs for highly skilled workers, including managers, health care professionals, and engineers, because there are relatively few workers with these qualifications and the consequences of a poor worker-job match in these areas can be costly to the employer (Sundheim 2013). However, there are often more workers than jobs in low-skilled occupations such as domestic service and construction labour, making some workers willing to pay high fees in order to move to the front of the queue of workers seeking foreign jobs. Even if low-skilled workers know they are paying higher-than-government-set fees for foreign jobs, they may not complain if they get what they want: a foreign job that offers a higher wage.

If worker-paid migration costs are low and the process of matching workers with jobs is satisfactory, this can result in satisfied workers and employers and good outcomes for governments in both migrant-sending and -receiving countries. Low migration costs allow migrant workers to receive most of the wage wedge that motivates international migration.[2] Low migration costs can help governments to manage migration by reducing the need for them to deal with dis-satisfied, terminated, and runaway workers.

High migration costs can have the opposite effects. High costs can prompt migrant workers to seek jobs for which they lack necessary skills in a quest to earn higher wages, to take second jobs while abroad to repay migration debts but then become irregular by working in a job for which they do not have a visa, or overstay their visas to achieve their savings goals. Employers may be dis-satisfied with the performance of workers who are worried about repaying recruitment debts as well as workers sent by recruiters that were more interested in collecting recruitment fees than in making optimal worker-job matches.

Given the benefits of good rather than poor worker-job matches, why do high migration costs and poor worker-job matches persist? There are many reasons, including false incentives recruiters may employ to attract workers. Employers and

[1] India received $70 billion in remittances in 2013, more than was earned from software service exports, followed by China, $60 billion, Philippines, $25 billion, Mexico, $22 billion, and Nigeria, $21 billion. Remittances were 52 percent of GDP in Tajikistan in 2013, 31 percent in Kyrgyz Republic, and 25 percent in both Nepal and Moldova (**www.worldbank.org/prospects/migrationandremittances**).

[2] Wage differences can manifest themselves as efficiency wages, as when employers pay more than the market wage to workers who are hard to monitor in order to encourage them to work, since loss of their job would result in the worker having to accept a lower-wage job.

recruiters may not care about *who* is recruited if their major business is selling job offers that result in the issuance of work visas, as under the kafala sponsorship systems of some mideastern countries. Recruiters may see low-skilled labourers as homogeneous or interchangeable, giving them little incentive to invest to screen and find the best workers. Finally, migrants in countries that offer few routes for upward mobility and who have few opportunities to migrate to higher wage countries may see recruiters as a way to cross otherwise closed borders.

Easy access to migrant workers may have unwanted effects. If governments routinely approve employer requests for the migrant workers, and their wages are low, the readily available migrant labour may slow productivity growth in migrant-receiving countries. For example, employers may switch to labour-intensive production processes and hire more workers, as in countries with high shares of migrants in construction, manufacturing and other sectors.[3] In some countries, labourers paid $200 a month are kept on standby in case they are needed to meet unanticipated peak labour demands, as at airports that handle freight.[4]

Recruiters can be more than entities that match workers and jobs. In some countries, public entities receive government funds to help dislocated, unemployed, and low-skilled workers to improve their skills and find jobs. Most workforce intermediaries that receive public funds for both training and placement do not move workers over national borders.

Recruitment and Migration Costs

There are three major steps in the international labour migration process that affect migration costs: learning about foreign jobs and receiving a job offer, having sending- and receiving-governments approve the job offer and check the migrant's health status before departure, and travel to the foreign job and go to work. Each of these processes, viz, job offer, government approvals, and travel, can lead to migration costs that are passed on to workers.

Foreign Job Offers

Most countries have "employer-driven" labour systems, meaning that workers are recruited to fill jobs after governments agree with employers that foreign workers are "needed." Employers begin the process by requesting permission, usually from a Ministry of Labor, to recruit foreign workers to fill particular jobs.

Governments have a wide range of responses to employers that are reflected in their temporary foreign worker programs. Some governments bar the entry of low-skilled workers, as in Japan,[5] while others establish quotas on the number of migrant-workers who can be hired by industry, as in Korea, by industry and firm, as in Singapore, or by industry and region, as in Spain.

Other governments establish an overall quota on the number of work visas available, as with the U.S. H-1B program, but do not require employers to try to recruit local workers before hiring migrants, while others have no quota, as in Germany and Australia-New Zealand for seasonal workers, but require employers to try to recruit local workers while offering at least a minimum package of wages and benefits before granting them permission to hire migrants. Some governments use expert commissions to set

3 In Singapore, economic growth averaged five percent while productivity growth averaged one percent between 2000 and 2010, a decade in which the number of foreign workers almost doubled, from 612,000 to over 1.1 million. The Ministry of Trade and Industry's Economic Survey for the 2nd quarter of 2013 asked: "Are Low-Skilled Foreign Workers Substitutes for Machinery?" and concluded that the answer was yes, that is, the influx of foreign workers slowed productivity growth (**www.mti.gov.sg/MTIInsights/Pages/Singapore's-Missing-Capital---Are-Low-Skilled-Foreign-Workers-Substitutes-for-Machinery.aspx**).

4 Hundreds of Bangladeshi workers paid $200 a month are housed in dorms near the Dubai airport and called to work as needed to deal with surges in air freight.

5 Japan allows employers to hire foreigners to fill low-skilled jobs as trainees or as foreign students who are allowed to work part time while they are studying.

and change quotas, while others fix temporary foreign worker quotas in law (Martin and Ruhs 2011).

Most governments have a hire-local-workers-first policy. Employers usually post job vacancies for which they are requesting foreign workers on local employment exchanges and try to recruit local workers for at least several weeks before they receive permission to recruit foreign workers (Larsen and Vesan 2011). In many cases, government approval or certification to employ foreign workers is a "reward" for the employer's failure to recruit local workers. If employers prefer foreign to local workers, then trying to recruit local workers is a going-through-the-motions exercise that governments are not well suited to second-guess (Cappelli 2012). There are many reasons to prefer foreigners, including the fact that they tend to be more "loyal" to their employer because they generally lose the right to be in the country if they lose their jobs.

Few governments have labour market information systems (LMIS) that provide timely and detailed data on local labour supply and demand (Stigler 1962). This means that, if employers fail to recruit local workers within a week or two, they have passed the "economic needs test" and receive permission to recruit foreign workers. Since most governments approve virtually all employer requests for foreign workers, most employers are confident that they will be certified to hire foreign workers when they request permission to recruit and employ migrant workers.

The fees that employers pay to be certified are generally paid by employers and not usually recharged to workers, but the levies that some countries impose on employers to discourage them from hiring migrant workers may be passed on to migrants, especially in countries that do not have minimum wages. The wages paid to migrants can be lowered by several hundred dollars a month due to employer-paid levy charges.

Once approved to hire foreign workers, employer job offers are transmitted in various ways to workers who can fill them. There are several transmission mechanisms, including directly from the employer or a current employee to (potential) migrant workers in other countries, from one government employment exchange to another, and/or from the employer to a recruiter in the country of origin or in the country with workers.

Just as there may be tension between government desires to have employers hire local workers and employer preferences to hire migrant workers, there may be tension between employers, as well, who want to hire the "best and brightest" in global labour markets, while sending-country governments want to retain native talent and send jobless and inexperienced workers abroad. These tensions were evident in Germany's guest worker program with Turkey, where many skilled Turkish construction workers left for Germany and the Turkish government for a time in the early 1970s tried to prohibit skilled Turkish craftsmen from leaving (Martin 1991). This Turkish regulation was not very effective at preventing out-migration because skilled Turkish workers could leave as tourists and, once in Germany, find an employer to give them a job offer that would lead to a work and residence permit issued in Germany.

Migration costs paid by workers often rise with the involvement of recruiters. Economic theory suggests that migration costs should decline over time as employers rely on networks of current employees to refer friends and relatives to fill jobs. Current employees know the requirements of the job and the capabilities of their friends and relatives, and can be ideal "recruiters" who bring only qualified workers into the workplace and often orient and train the newly hired workers. Using networks of current employees to find new workers should lower migration costs (Martin 2014).

Network hiring has lowered worker-paid migration costs in many migration corridors, as from Eastern Europe to Spain or Mexico and Central America to the United States. But worker-paid migration costs to move from South Asia to work as Gulf oil exporters remain very high for several reasons. First, Gulf employers and Gulf-based recruiters often charge recruiters in South Asian countries $1,000 or more for the kafeel or sponsorship that most Gulf countries require of foreigners, an up-front cost that is usually passed on to workers. Second, South Asian governments often restrict or prohibit foreign employers from recruiting their citizens directly, ensuring that most migrants must use local recruiters and thus pay their fees. Third, many Gulf employers who act as sponsors request more workers than they can employ, selling sponsorships as a way to supplement their income. Recruiters may offer these "free visas" to South Asian workers as a way to work for any employer once abroad, but many migrants are vulnerable because, if detected while employed for an employer who is not a sponsor, they are deemed illegal and subject to deportation.[6]

If recruiters are not involved, migrant workers may pay to be placed on recruitment lists from which employers select workers. Workers who want to be selected by Korean employers under the Employment Permit System must first pass a Korean-language test. They may, therefore, incur costs to learn Korean. In many migrant-sending countries, information about foreign jobs is received in capital cities and transmitted via layers of agents and subagents to low-skilled workers in rural areas. These agents may be compensated by city-based recruiters after migrants pay them for contracts. Many agents accompany rural migrants to visit recruiters in urban centres, and some accompany migrants as they undergo health and other pre-departure checks.

The cost of job matching, of linking a potential worker in one country with a job in another, is the first cost in the three-stage recruitment procedure. The migration costs in this first phase that culminate in a contract for a worker to fill a particular foreign job can include both monetary as well as opportunity costs, as workers spend time that they could be working to learn about foreign job offers and complete the paperwork to go abroad.

Securing Government Approvals

Obtaining a foreign job contract is usually the first step to go abroad and work, followed by government permission to leave one country and to enter another to work. Many low-skilled migrant workers going abroad for the first time must obtain passports, visas and work permits for the country in which they will work, and they must also undergo health and other checks before departure. Satisfying these procedures in order to go abroad often involves visits to different agencies and facilities, and sometimes takes several days in a place far away from the migrant's home. Some countries, notably the Philippine Overseas Employment Administration, have developed one-stop shops that enable migrant workers to apply for required documents and clearances in one building in one day (Abella, Martin and Midgley 2004).

Obtaining a first foreign work contract procures a passport into which a work and residence visa can be inserted. However, before the worker can obtain the visa, he/she must usually undergo a health check and submit a police clearance certificate. In some countries, only specified health facilities can provide the health check, necessitating a trip to that facility.

Contracts provided to workers are often checked by a government agency before workers receive final approval to go abroad to ensure that they offer any specified wage required by the sending country, such as $400 a month for domestic workers leaving the Philippines. In some countries, workers are asked about any recruitment fees they paid, but the answers are

[6] Saudi Arabia had about nine million foreign residents in 2013, but began a campaign to arrest and deport unauthorized foreigners in November 2013. During the first five months of the campaign, 370,000 foreigners a month were deported, many of whom had so-called free visas. The Saudi government ordered the 600 Saudi recruiting agencies to form 18 mega associations to obtain visas for the foreign workers requested by Saudi employers, making the mega association rather than the sponsor-employer responsible. for the welfare of the migrant worker. See **http://migration.ucdavis.edu/mn/more.php?id=3907_0_3_0**

often not reliable, since recruiters often coach their client-workers to say they paid no fees or no more than government-set maximums.

For migrants whose contracts have been approved, some governments issue a photo ID, as in Bangladesh and the Philippines. These cards, which may be subsidized by local banks hoping that the migrant will use the card to make remittances, can serve as an ID to receive consular services abroad, but are not usually recognized by host-country governments as official identification.

Traveling Abroad and Working

Migrants with approved contracts normally go abroad soon after receiving contracts and work visas. Some migrant-sending countries require migrants to undergo pre-departure orientation, typically a half-day or day-long session that can be held at a government agency that approves worker contracts. Other migrants undergo training that can last from a few days to a few weeks. For example, Sri Lanka has training facilities near its major international airport that provide several weeks of training to domestic workers before departure.

Most migrant-sending governments have final checks for departing migrants at airports, where passports, visas, and contracts are checked a final time to spot deficiencies that, if detected, can lead to the worker being denied the right to board the plane. These pre-departure checks are generally established by sending governments to protect migrant workers, but are sometimes put in place at the request of migrant-receiving governments who worry about the arrival of workers with false documents who must be repatriated. Recruiters often advise migrants that airport checks the final obstacle to get what the migrants want: a foreign job.

The cost of air travel and the share of travel costs borne by workers vary widely. With remittances ranging from five to ten percent of GDP in many countries, national carriers might be expected to offer cheap airfares to migrants going abroad, but these are rare. Instead, some migrant-receiving countries require migrant workers with two- or three-year contracts to arrive with round-trip tickets, which often increase travel costs.

Migrant workers usually pay a package price to recruiters that include most migration costs, from passport and visa costs to travel and recruiter fees. For this reason, it may be hard for workers or researchers to understand how much of the fee covers airfare and other elements of the package.

Regulating Recruitment

The recruitment industry that moves workers from one country to another is believed to be large and growing, but reliable data are scarce (Kuptsch 2006; ILO 2007). Several things are clear. First, most recruiters send few workers, often less than 100 a year, abroad. Most recruiters operate in only one corridor, as with those who send Filipinos to Saudi Arabia or to Hong Kong, but not both. Many recruiters specialize in one type of worker, domestic helpers or seamen or accountants, but not all three types of workers.

Second, many recruiters are linked closely to the governments that regulate their activities. In some countries, a significant share of recruiters are members of Parliament or their relatives, and some may see recruitment fees as one means of extracting monies from low-skilled workers who typically do not pay income taxes on their local or foreign earnings. Third, regulating recruiters effectively has been difficult, in part because most enforcement systems rely on workers to complain, and workers are unlikely to complain if they get what they want: a foreign job offering high wages.

International conventions call for employers to pay all of the recruitment costs of the migrant workers they hire (ILO 2006, 2008). However, ILO conventions 97 and 143 are not widely ratified, and not always enforced in countries that do ratify them (Ruhs 2013). The U.S. government has not ratified ILO conventions 97 and 143, but has laws that prohibit employers from charging migrants recruitment fees, so that employers must pay all costs, including passport and visa costs, for low-skilled farm and nonfarm workers admitted under the H-2A and H-2B programs. Other governments that have not ratified ILO conventions 97 and 143 specify maximum worker-paid fees, as with the Canada-Mexico Seasonal Agricultural Worker Program. However, unless there are complaints, it is often hard to detect the payment of (excessive) worker-paid fees.

Both workers and recruiters report that recruitment costs are often higher than government-set maximum fees. Governments normally embrace a three-step procedure to regulate recruiters and the fees that they charge, viz, require recruiters to identify themselves by registering, have them establish financial security by posting bonds or making similar financial guarantees, and rely on a complaint-and-investigation system to detect violations of recruitment regulations.

Conclusions

Migration costs for low-skilled workers who cross national borders can be high, which lowers remittances, makes migrant workers more vulnerable abroad, and reduces the positive impacts of migration on development. Reducing recruitment costs could improve protections for migrant workers and allow labour migration to speed development in migrant-sending areas.

There are four major phases in the migration process that can lead to worker-paid costs.[7] First, employers in migrant-receiving countries can pay governments for permission to hire migrant workers, a cost that can be passed on to migrant workers. Second, potential migrant workers may pay recruiters and sub-agents to learn about foreign jobs, especially low-skilled migrants in rural areas where recruiters are in major cities. Third, migrants often pay recruiters to obtain contracts for foreign jobs, especially if the recruiter has paid the foreign employer or foreign recruiter for the job offer. Fourth, migrants may incur costs for passports, visas, and other documents, health and security checks, and pre-departure training and orientation. Migrants may pay internal transportation costs to get to recruiters and government offices, and pay international transportation costs as well.

Once abroad, legal migrants with contracts should receive the wages and benefits stipulated in the contract. However, some migrants are confronted with a new contract once they arrive abroad that offers lower wages, fewer benefits, or different work, and they may feel compelled to accept different terms if they arrived abroad in debt. As the end of their contract approaches, migrants may not receive all of the wages due to them or certain benefits such as end-of-service benefits if they must leave when their contract expires. Migrants typically return and reintegrate or prepare to go abroad again.

Learning more about worker-paid migration costs, and especially how they vary by migration corridor and worker level of skill, could increase the benefits of migration for the development of migrant-sending countries and enhance migrant worker protections. International labour migration is a journey of hope and fear: hope for higher wages and more opportunities abroad, and fear of the unknown and exploitation. Reducing worker-paid migration costs and uncertainty for migrant workers can improve protections for them and speed development, pushing recruitment reform to a higher place on the international agenda.

[7] Migrant workers may also incur opportunity costs as they travel to recruiters, government agencies, and training centres, costs that governments may not consider if the assumption is that most migrants are jobless at home.

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