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## **STRATEGIES FOR DEVELOPING STATISTICS ON THE INTERNATIONAL MIGRATION OF WORKERS**

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## I. Introduction

The objective of this paper is to outline possible strategies for obtaining statistics on international labour migration statistics, effectively and reliably, with particular emphasis on data collection, with an assessment of strengths and weaknesses of possible sources such as population censuses, household surveys, labour force surveys, administrative records, and statistical border registration, in relation to various quality concerns (coverage, validity, reliability, frequency, and timeliness).

The past decades have seen a growing demand for more and better international labour migration statistics appear as many States have experienced international labour mobility on a scale and of types for which they were not prepared. International flows of persons have not just been increasing in volume, but have also been changing in character. The carving up of the world into distinct economic regional blocs, the liberalisation of trade, the relocation of production units in labour supply countries, and the dispersion of production across many different production sites have had important implications for intra-regional and inter-regional migration flows, and for types of labour movements. Between 1970 and 1990, the number of countries qualifying as major receiving countries went up from 39 to 67, and those that qualified as major senders went up from 29 to 55<sup>2</sup>. A significant number of developing and transition countries have become not only major receivers, but also major bridges of transit for migrant workers.

Unfortunately, the statistics and other information needed to monitor and describe these developments as well as to support the formulation, implementation, discussion and evaluation of relevant policies in a balanced manner in many countries have not been available, and have proved to be difficult and expensive to produce on a regular basis. Many States have failed to allocate the necessary financial and human resources to develop the right measurements and indicators of migration flows and stocks. Too often, the availability of information on some topics, but not on others, distorts discussion and debate on labour migration, and makes it difficult to establish, for example, whether the international migration of workers on balance has had a significant positive or negative impact on the persons involved and on the economies and labour markets of the countries of destination or of origin. Indeed, having good quantity and quality labour migration statistics is important since the information available all too often determines the perspective on international migration by policymakers and the public, and when the available information is poor, policy decisions may easily become flawed, and media misrepresentations acute.

Good statistics are needed both on the volume of international labour migration flows during different periods and on the stocks of migrant workers at particular points in time, in order to assess their economic and social implications. Sources have to be developed to meet two quite different types of information needs: 1) quantitative information on the magnitude of migration stocks and flows of various types; and 2) more in-depth information on patterns and causes of migration and on characteristics and conditions of migrant workers.

The availability of these types of labour migration statistics is still limited. For large areas of the world, in particular most of Africa, and much of Asia and Latin America, such statistics do not exist. Even where some statistics are available, the concepts and definitions used frequently differ between countries and over time; harmonization between countries and with other statistics is minimal, and misuse of the statistics available is rife. One reason for this is that most international migration statistics are based on administrative sources (border control records, tax returns, social security records, unemployment registers) where the information is collected for reasons other than the

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<sup>2</sup> Stalker, Peter; *Workers without Frontiers, the Impact of Globalization on International Migration*; Geneva, ILO, 2000, p.7.

systematic study of the migration of workers, and where only official presence or flows are recorded. Indeed, the closing up of borders to legal migration has had as a consequence a large growth of clandestine migration. For example, in 1996, there were an estimated 5 million undocumented immigrants in the U.S.

Different types of statistics on the international migration of workers are needed to serve different descriptive and analytical objectives, for example, in *countries of origin*:

1. In order to understand the impact of the international migration of workers on the workers themselves, their families and on the national economy, as well as any need for measures to protect assist such nationals while they are abroad, they need statistics on the ***Number of nationals abroad by sex***: destination, skills, activities undertaken before leaving and when abroad, earnings and remittances, working and living conditions, status (documented or undocumented), incidence of exploitation and abuse suffered.
2. With the purpose of monitoring the developments and the impact of any policies initiated by the country itself or other countries, they need statistics on the ***Number of nationals leaving the country by sex***: Where are they heading to? What skills do they possess (brain drain)? How many of them are being trafficked?, etc.
3. With the objective of monitoring developments and consequences, and to evaluate the need for and impact of policies related to e.g. (re-employment and housing), they need statistics on the ***Number of nationals returning by sex***: Where are they returning from? Did they gain any skills, or on the contrary, did they perform under-skilled jobs (brain waste)? Is their stay temporary or permanent?, etc.

In *countries of destination*:

1. ***Number of foreigners arriving by sex***: Where are they from? What skills do they possess? What kind of work will they do? Is their stay temporary or permanent?
2. With the purpose of monitoring developments and understand the impact on national (and local) labour markets, as well as to establish whether foreign workers are suffering from exploitation or abuse, statistics are needed on the ***Number of foreigners present by sex***: origin, work situation, skills, activities, earnings, working and living conditions, status (documented and undocumented), How many of them were trafficked?
3. With the aim to understand e.g. the dynamics of the employment of such workers and needs for new recruitment, as well as the impact of and on variations in business cycles and associated employment and unemployment rates for different groups of workers, they need statistics on the ***Number of foreigners leaving the country by sex***: How long did they stay? Why are they leaving the country? What was their work situation? Where did they work? What skills did they gain in the receiving country?

Achieving a reasonable degree of comparability in the statistics of international migration of workers is important for several reasons: (a) To understand the national situation and developments it is often necessary to make comparisons with other countries; and (b) as statistics on arrivals and presence normally are significantly better than statistics on departures and absences, the best source for the latter may often be the former for other countries. Thus exchange of statistics is highly desirable.

## II. Definitions, key groups and best sources

Who is an international migrant? Who falls under the category of migrant worker, and what useful framework might be used to characterize different categories of international labour migration flows and stocks?

The UN Recommendations on International Migrations presents a useful taxonomy of international inflows and outflows (see Annex 1) which is the best attempt made to identify the types of flows that are most likely to be reflected in the statistics produced by existing data-collection systems and that are relevant from the policy perspective. The definitions of the categories included in the taxonomy are provided in Annex 2.

For the purpose of this report, which has the objective of outlining possible strategies for obtaining statistics on international labour migration, the term “migrant worker” specified on the International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families can be used. Article 2, paragraph 1 of the Convention states that “migrant worker” refers to a person who is to be engaged or has been engaged in a remunerated activity in a State of which he or she is not a national. This means that among the groups identified in Annex 1 a number of those **excluded** from the definition of ‘migrants’ are **included** in the definition of ‘migrant workers’, i.e. groups 1, 5, 6, 7 (dependants only if they are economic active) and 8 (only the economic active), although in practice groups 6 and 7 are likely to be excluded.

In Annex 3, relevant definitions provided by the General Agreement on Trade in Services (GATS) on ‘Movement of Natural Persons Supplying Services Under the GATS’ is presented. The book “Occupational Classification of Workers in Migration”<sup>3</sup>, could be also useful for the purposes of this report, since it intends to benefit statistical monitoring for international migration, offering occupational descriptions and definitions of occupational titles and proposing a flexible classification structure in grouping occupations and jobs.

It seems clear that new patterns<sup>4</sup> of labour migration are spreading and researchers wonder how well existing statistics and definitions can reflect them. States continue to question themselves how they can determine the number of temporary workers that will (want to) become permanent, and the number of persons entering their country as students, tourists, foreign investors, refugees, and trainees that will shift into undocumented workers in the long-term. States also wonder how to align flows according to priorities and national values, and how to respond to labour market demands without wakening national public opinion against these immigrants.

Arising from the issues exemplified above it is clear that the following are the key ‘populations’ of interest:

- a) persons arriving in a country to work there, i.e. the **inflow** of foreign workers;
- b) persons leaving their country to find work abroad, i.e. the **outflow** of migrant workers;
- c) persons returning after having worked abroad, i.e. the **return flow** of migrant workers;
- d) stock of **foreign workers** in the country; and
- e) persons who are working abroad, i.e. the stock of **migrant workers abroad**.

### **A. In-flow of foreign workers<sup>5</sup>**

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<sup>3</sup> ILO: “Occupational Classification of Workers in Migration”, Islamabad, 1988.

<sup>4</sup> Migration patterns include: permanent migration, long-term migration for a period of some years, short-term migration for a period of 3 months to 1 year, seasonal migration for a period of 1-3 months, shift migration for a period of some days up to 1 month, and pendulum migration, practically on a daily basis.

<sup>5</sup> The *inflow of foreign workers* to a country can be defined as those foreign citizens who during a particular reference period arrived in the country with the objective to take employment there

Most governments find it important to restrict, or at least to control closely, the entry to the country of (certain group of) foreigners, as their presence is often regarded as potentially having negative effects. In almost all countries the government is prepared to incur at least some of the substantial administrative costs involved in implementing policies for controlling the influx of (some groups of) foreigners, within the limitations set by their general administrative capacities and resources. For this reason, the coverage and consistency of the statistics which can be produced for inflows, as well as the validity and reliability of the information registered for such flows, for most countries is far better than corresponding registrations for e.g. the outflow of migrant workers.

The following **administrative sources** could be utilised to measure the in-flow of foreign workers:

- a) New entry or immigration visas.
- b) New permission to work in the country and unemployment registers;
- c) Administrative entry registrations at the border;
- d) Apprehension of clandestine border crossers;
- e) New application for asylum and new grants of refugee status;
- f) New reports to population registers;
- g) New reports to tax and/or social security authorities;
- h) Reports from recruitment agencies;

For most countries, *new entry or immigration visas* are the most important source for statistics on the inflow of migrant workers. However, this source does not provide a complete picture since (a) part of the total inflow consists of clandestine workers, i.e. persons who enter without any visa or with a visa which does not permit them to seek employment; (b) a larger or smaller group of migrant workers may not need visa for entry, mostly because of their nationality but sometimes also because of the type of work in which they will be engaged, or the type of employer for whom they will work. This is the case of large numbers of highly skilled workers and managers, engaged by multinational firms, but who escape being recorded as temporary workers because they enter the country on tourist visas.

The most cost-effective source of statistics on the inflow of foreign workers is likely to be the registrations linked to the issuing of *visas and work permits*, in combination with the *border control registrations (new arrivals/departures cards)*, including records on the apprehension of clandestine border crossers. These records should include information on the actual or intended duration of stay, the broad objective of the visit, and the person's place of residence. This information should be cross-classified with other recorded variables such as age, sex, citizenship, place of birth, country of arrival or destination, etc.

In countries where the relevant institutions function effectively, these sources should be supplemented by, or coordinated with, *records of new registrations in population registers* and with *tax and social security records*. It also seems recommendable to consider supplementary statistical border registrations in countries where the number of entry ports and the entry carriers, for the group of interest, is limited and can be clearly identified. They may provide valid estimates of the size of the inflow of certain groups of foreign workers, i.e. those for which the regulatory mechanisms do not represent serious problems or costs and who therefore are not likely to enter the country or seek work without being registered.

Administrative data are of fundamental importance for measuring migration flows. However, undocumented migration in the form of daily or seasonal border crossers, over-stayers on tourist visas, and other types, remain undetected by these records and may therefore not be included in the official statistics based on these records. Whenever clandestine entrants represent a significant proportion of the total inflow, then the validity of inflow statistics based on the above sources are likely to be limited

to indications of general changes in the inflow of foreign workers over short periods and have to be complemented with statistical surveys like censuses, household and labour force surveys with specific migration-related questions like: citizenship, date of entry, reason for migration, etc.

### C. Out-flow of migrant workers<sup>6</sup>

The outflow of migrant workers is a difficult group to describe statistically in a satisfactory manner, mainly for three reasons that apply to efforts to describe statistically all outflows of persons from a country:

- a) Most governments are reluctant to restrict or monitor closely the exit of persons from their territory, as this is regarded as having unfortunate side-effects on e.g. civil liberties, in addition to the substantial administrative costs;
- b) The number of possible exit points from the country may be so large that covering them all, even on a sample basis, exceeds the willingness or the capacity of the regulatory or statistical agency to incur the costs of doing so;
- c) The total number of persons exiting from the country during a particular period may be very large relative to the number of persons of interest to the regulatory agency or the users of the statistics.

When available, possible **administrative sources** on the out-flow of foreign workers can include:

- a) New exit or emigration visas;
- b) New permission to work abroad;
- c) New members of special insurance schemes;
- d) Reports from recruitment agencies;
- e) Other administrative registrations (border exit registrations, reports to population registers, reports to tax and social security authorities, new registrations of permissions for an individual to transfer or receive funds from abroad, or to hold foreign currency bank accounts, and new registrations at national consulates).

Possible **statistical sources** can comprise:

- f) Household surveys;
- g) Establishment surveys;
- h) Labour force surveys;
- i) Statistical border registrations
- j) Statistics from receiving countries

For most countries it seems reasonable to conclude that other countries' inflow statistics are the cheapest and most promising source of statistics on their outflow of national workers. None of the possible administrative sources can provide statistics with close to complete coverage, if the ambition is to estimate the total outflow of migrant workers. Nonetheless, administrative registrations might exist which can provide some statistics on outflows of particular groups of workers. If they are effectively supervised and/or administered, then the most promising among these administrative registrations should be the reports from recruitment agencies and the records of special insurance schemes or nationals working abroad, or any other scheme with which persons going abroad for more than short visits, and only they, will have an incentive to register.

Countries concerned with the outflow of migrant workers should also consider including in their Labour Force Surveys relevant questions on respondents' experiences with work episodes abroad

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<sup>6</sup>The *outflow of migrant workers* from a country can be defined as those citizens of the country who during a particular reference period left the country with the objective to take employment in another country.

and/or on relatives and friends departures for abroad, as this will provide a few general indicators on overall outflows at small extra costs. Another possible statistical source for such groups may be statistical border or “departure point” registrations where questions on the number of nationals and foreigners leaving the country (broken up by sex) could be included, as well as other specific questions, such as:

- Why are they leaving the country?
- What skills do they possess (brain drain)?
- Where are they heading to?
- Are they looking for a job abroad?

The sources can provide valid and reliable statistics only if there is a political will and administrative capacity to carry out well the necessary registrations and processing, as the production of statistics on the outflow of workers can only be a by-product of the administrative operations. However, because such statistics will be important by-products, the relevant quality considerations should be seen as important in the design of the specific registration procedures.

#### **D. Return flow of migrant workers<sup>7</sup>**

The return flow of migrant workers is the least well described of the key groups of migrant workers. Very few, if any, governments have found it necessary to control the return flow of its citizens, and the group is small relative to all the groups of which it can be regarded to be a part, such as nationals who are returning from visits abroad for all other reasons. This makes it difficult in practice to reliably identify separately the members of this group from those in the larger group, even when it should be possible to do so in principle. However, it is significant for a country to determine the volume of return migration, the skills obtained by its nationals abroad and the necessary steps it will need to take to re-absorb them into its labour market or simply into its society.

There are possible **administrative sources**, similar to those discussed with respect to the outflow and inflow of migrant workers, which can be used to measure the return flow of migrant workers, although some types of registration, such as those concerning apprehensions of illegal border crossings are not relevant. For others, the specific type of information requested may be different for this group than for the others. For example, the reports from recruitment agencies and enterprises with foreign contracts must concern those workers that they have brought home during a recent period. With respect to special insurance schemes, the question will be whether the members will have an incentive to report that they withdraw from the scheme, e.g. to avoid having to pay for a coverage which no longer is relevant or obtainable. It may also be possible to incorporate into the border registrations of arrivals, elements which make it possible to distinguish returning migrant workers from other arrivals through the questions included on the “arrival cards” and through the possibilities for linking arrival cards with departure cards for the same persons.

Possible **statistical sources** can comprise:

- a) Household surveys
- b) Establishment surveys
- c) Labour Force surveys
- d) Statistical border registration or surveys (airport and other point of entry)

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<sup>7</sup>The *return flow of migrant workers* to a country can be defined as those citizens of the country who during a particular reference period returned to their country after having been economically active in another country, as employed or unemployed, according to the ILO guidelines for the measurement of the economically active population.

The same **statistical sources** considered with respect to the outflow and inflow of migrant workers, can be also used for statistics on this group. However, the household surveys will need to include questions related to possible past spells of work abroad, their timing and duration, the type of work involved and other circumstances thought to be relevant. Establishment surveys are less well suited for the measurement of return flows of migrant workers than for the measurement of outflows and inflows, with the possible exception for surveys targeted at establishments who recruit for or engage in work abroad. Airport and other surveys could also be used as a good system for recording the volume of return of (certain types of) migrant workers. To serve as a basis for the analysis of the economic and social effects of their migration experience, a year or more later, a household could cover the same returned migrant workers.

#### E. **Stock of foreign workers**<sup>8</sup>

As incidents of exploitative and abusive conditions of migrant workers are made public, researchers and journalists require statistics to estimate the gravity of the problem. Trafficked women are found working in conditions of modern slavery: receiving little or no remuneration for their work, working 18-20 hours a day and forced to take as many as 35 clients a day. A significant number of domestic workers report sexual and physical abusive living conditions. It is urgent to start developing further specialized surveys that can provide information on the number of migrant workers (by sex) suffering from exploitative and abusive working and living conditions like those in the sex sector, and in other vulnerable sectors like the domestic sector or street-vending. It is also important to know how many of them were smuggled in and those that were trafficked and the types of exploitative and abusive conditions being suffered by them.

It is essential for a country that receives an important number of foreign workers, to be able to determine the working conditions, and also the levels of integration and of discrimination experienced by its migrant workers. While administrative sources are of fundamental importance for measuring migration flows, they can provide only limited information on the socio-economic correlates of migration (education, skills/training, work experience, family size and structure, etc). For statistics on some vulnerable groups, in particular those in situations which are either undocumented or subject to social disapproval, it will normally be necessary to undertake specially designed labour force surveys, e.g. for statistics on trafficked women and working children a two-stage approach may be possible: (1) use a standard labour force survey to get some basic statistics on sectors or activities where such situations are known to be particularly prevalent, e.g. among domestic workers and in the 'hidden' economic activities; or (2) use more specific and in-depth surveys of groups like sex sector workers, street vendors, and other labour sectors where most exploitative and abusive situations of migrant workers are concentrated.

Two strategies are available for the estimation of the stock of a group of persons at a point in time: (i) one can estimate the stock at time T as the net effect of all movements into and, out of the group since a previous stock estimates at time T-1 (or over a time period long enough to mean that all original members of the group can be assumed to have left it); or (ii) by establishing for all, or a representative sample of, members of a larger group (which includes all possible members of the target group) whether or not they actually satisfy the criteria for being included in the target group. The main disadvantage with the first strategy is that there may be errors and biases in the measurement of each of the components: i.e. in the quality of the available estimates of the starting stock, of the entrants to and of the leavers from the group; and these must be known in order to evaluate the quality of the resulting

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<sup>8</sup>The *stock of foreign workers* in a country can be defined as those foreign citizens who at a particular date or a during specific reference period, would be counted as economically active in the country, i.e. as employed or unemployed, according to the ILO guidelines for the measurement of the economically active population.



stock estimates, i.e. the likely size and type of biases. The main disadvantage with the second strategy is that it may not be possible to cover the total population on a complete count or sample basis. It may also be that when sampling the total population, the number of observations for the target population will not be large enough to permit estimates to be made with the required precision.

The best strategy for any particular target group will depend upon the quality of the respective sources, the cost of using them, the frequency with which the stock estimates are needed and the size of the flows relative to the stock. Cost considerations may, for example, make it preferable to estimate the stock at time T using poor flow estimates and a good estimate of the stock at time T-1, if the flows can be assumed to be relatively small. However, if they are large, or if the time period between T-1 and T is long, then it may be preferable to use the strategy of direct stock estimates.

Realistically speaking, the only cost effective strategy for generating reliable statistics on the stock of foreign workers on a regular, i.e. annual, basis is through the exploitation of the records in a coordinated system of general population registration, entry visas and work permits, with appropriate control mechanisms both for compliance and for proper implementation by the respective local offices. However, it is also clear that very few countries, if any, have been able to establish the necessary institutional infrastructures, capacities and procedures.

The only realistic alternative is to incorporate relevant questions into the census, and supplement them at intervals with household or other sample surveys with special procedures and more detailed questions, as well as targeted (e.g. to special geographic areas) to ensure sufficient representation of the groups of interest. Both administrative and statistical sources have to be supplemented and calibrated with the help of the decennial population census, provided that special care has been made in its design to capture “marginal” groups such as migrant workers, including those whose work situation may be described as “irregular” or undocumented.

Sample surveys can provide timely data when needed if properly designed to investigate migration alone, or in conjunction with other topics. They offer a suitable vehicle for distinguishing between different categories of migrant workers (immigrant/emigrants, return migrants, potential migrants, etc.) or for obtaining information on migrants’ characteristics prior to their move e.g. occupation, skills/training, work experience, job expectations. Sample surveys allow the collection of data related to the timing of particular migration-influencing events. Moreover, surveys can incorporate individual data, family or household data, and community or contextual data, thus allowing analysis of the interactions among different levels of aggregation.

In situations, where it is not feasible to conduct a specialized migration survey, it may still be possible to include a set of migration questions in a multipurpose survey (e.g. a labour force survey). Another feasible procedure might be to interview a sample of migrants, identified from the census, in order to gather additional information on their characteristics. A census sample can provide richer data on specific topics than a complete census count.

The following migration questions can be included in population censuses or in sample surveys:

- Date, place and country of birth
- Duration of residence: year or date of arrival
- Place of previous residence: one, three and five years ago
- Reason for move (important for distinguishing between different categories of migrants)
- Citizenship
- Mother tongue
- Occupation

- Working conditions

In a number of countries it may also be relevant to conduct special sample surveys to provide indicators on working conditions of migrant workers in the agricultural sector; occupational mobility differences between migrants and national workers over a period of time; wages differentials between migrants and national workers and family income differences between migrants and national workers; occupational and industrial segregation between migrants and national workers; contract differentials between migrants and national workers; unemployment rates differentials between migrants and national workers; comparison of morbidity, and occupational sickness between migrants and national workers; incidence of mortality, comparison between migrants and national workers; child labour incidence between the two; family members' labour force participation rates among migrants and national workers; job security differences between the two; hours of work differences between the two, etc.

#### **F. Stock of workers abroad<sup>9</sup>**

Since most labour markets are essentially unregulated, official sources of information on the number of workers placed abroad and the numbers working abroad legally are considered to be grossly incomplete and incapable of reflecting the magnitude and characteristics of the real stocks. For example, in the Ukraine, some surveys indicate that up to 5% of the Ukrainian able-bodied population are working abroad at any one time, and that perhaps 20% go abroad from time to time to earn a living. A major part of this labour migration is "unofficial", i.e. not registered. This lack of information has major consequences on the capacity of national authorities to regulate and protect nationals working abroad. Whenever problems concerning working conditions, workers' rights, pension entitlements of its workers abroad are present, the government does not possess the right tools to react appropriately.

The first of the two strategies outlined in the section of "Stock of foreign workers" can be also applied to the estimates made about the stock of workers abroad at a point in time. However, the information which can be obtained from all, or a representative sample of, persons in the country of origin, can only relate to their knowledge about fellow citizens who are residing abroad, as the latter persons cannot be reached. The main disadvantages with this strategy are the same as in the previous section, with an added concern for the quality of the stock estimate at time T-1. The main disadvantages with the second strategy are also the same, with the added concern in the reliability of estimates based on indirect knowledge about other persons' situation and behaviour.

Because persons who have obtained citizenship in a new country will not always loose the citizenship of their country of origin, any effort to obtain estimates of the number of workers abroad must consider the following question: When do citizens who have left a country to take up work in another cease to retain the link to the original country which defined them as belonging to its stock of workers abroad? Three types of answers to this question are reasonable, depending on the issues one would like to address with the help of the resulting statistics:

- i) until they die or return home, whichever comes first;
- ii) until they obtain citizenship, or equivalent legal rights, in the host country, return home or die, whichever comes first;
- iii) until X years have passed, they return home or die, whichever comes first.

The stock of nationals abroad can be estimated in three main ways:

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<sup>9</sup>A country's *stock of migrant workers abroad* can be defined as those citizens of the country who at a particular date or during a specific reference period would be counted as economically active in another country; i.e. as employed or unemployed, according to the ILO guidelines on the measurement of the economically active population.

- cumulatively by comparing time-series data on registered inflows and outflows;
- by piecing together census returns in all major countries of destination; and
- by including questions about emigrants abroad in a census.

The first approach is prone to errors because the statistics on inflows and outflows from administrative records are often not complete. Moreover, the current information about the migrants (e.g. country of residence) may be different from that registered at the time of departure. The second method is also complicated and suffers from the inherent lack of comparability between census operations in different countries, as regards timing, procedures, definitions and content. It is also the cheapest source for statistics on stock of migrant workers abroad. The third method is also prone to errors since omissions are frequent and the migration of whole households is generally not accounted for. However, censuses can play an important role in providing data on the stock of emigrants and the systems generating the appropriate statistics should be established and properly administered.

The following questions could be included in censuses to provide emigrant stock data:

- Number of absentee family members by sex
- Date, place and country of birth
- Current place of residence and place of residence at a specified date (1, 3 and 5 years before)
- Date of leaving
- Reason for absence
- Duration of absence
- Expected date of return
- Place of work and schooling

### **III. Remittances**

For a number of countries, the level of remittances from citizens working abroad is very significant in proportion to the country's gross domestic product (GDP) and its merchandise exports. However, available estimates on migrants' remittances have several deficiencies. They are likely to be derived from rough assessments of the stock of migrant workers abroad and assumptions concerning their average wages. Where this is the case, not only can the assumptions made regarding the size, composition or wage level of the migrant population be questioned, but there is the additional problem that the total compensation of employees cannot be considered as equivalent to the amount that is eventually remitted to the economy of origin to be usable in that economy.

The main sources of official statistics on migrants' remittances are the annual balance of payments records of countries. However, many transfers and cash flows are not reflected adequately in the balance of payments statistics, nor identified separately. Some countries include the value of in kind transfers and others do not. Even when transfers in kind by migrants are recorded and included in total imports, migrants' transfers are difficult to measure with any accuracy and usually become part of "errors and omissions". Some countries have not even made a distinction between workers' remittances and other private transfers, tending to report both under a single item (usually as "other private transfers").

Moreover, the measurement of remittances is fraught with difficulties because a significant proportion of the international transactions that can be considered remittances do not flow through official channels. In Sudan, for instance, only 24 per cent of a sample of international migrants reported using official channels to send remittances. Informal channels are more likely to be used when the exchange rate of the country receiving remittances is overvalued, when there are taxes levied on remittances or when foreign exchange restrictions are in place. Very often, migrant workers avoid

banks because of the inefficiency and high cost of banking services, too. Alternative common channels used are: hand-carry foreign exchange savings personally or through friends and relatives; currency swaps; purchasing of goods. A useful strategy to attract financial transfers from migrants abroad has been for countries of origin to allow non-resident citizens to open foreign currency accounts.

The need to use specialized sample (household) surveys to gather more detailed information on such transfers, therefore arises. Sample surveys can become an increasingly important source for data on international migration socio-economic phenomena. If estimates are to be made of total remittances, new registrations of permissions for an individual to transfer or receive funds from abroad, or to hold foreign currency bank accounts should be considered. They can provide useful information on the magnitude and use of remittances. Perhaps a postal survey can be also organised without too much difficulty to obtain related remittances information.

Estimates of the proportion of remittances that go unrecorded can be used to adjust the time series on remittances derived from official sources. For the adjustment to be appropriate, it is crucial that the information can be obtained from representative surveys at the national level. Survey data are also necessary to study the factors affecting the use of remittances by the recipient households as well as the factors motivating migrants to send remittances. An understanding of such factors is valuable to explain and predict the levels of remittances over time and to assess their likely impact on the well-being of the migrants and their families.

The main items of interest to characterize the transfer of income and goods are: the amount transferred; its form; the uses to which such transfers have been put; and d) the reciprocal obligation and expectations associated with such transfers.

#### **IV. Quality of descriptive variables**

##### **A. Validity and reliability**

The issue of the **validity** of descriptive variables is related to whether or not these variables are recorded and, if recorded, whether the categories used, i.e. the value sets, can provide answers to the questions posed by users of the statistics. The question of **reliability** of the recorded variable values is related to whether the recorded information is the correct representation of the characteristic it is intended to reflect. That problem should be split into two issues: has the correct information been given and is the recorded value a correct and complete reflection of the information given? Neither of these questions can be answered easily. A positive answer to either of them can normally only be given if certain well-defined procedures are being followed in the collection and processing of the information and if the officers carrying out these tasks have received the necessary training and tools.

Descriptive variables for all the five groups can include, but are not necessarily limited to, the following:

- a) Age (group);
- b) Sex;
- c) Address/locality;
- d) Citizenship;
- e) Educational attainment;
- f) Marital status.

For the *inflows* and *outflows* the following descriptive variables (broken up by sex) are expected in addition to the variables a) through f):

- g) Occupation of last main job in home country;
- h) Occupation of job recruited (or looking) for in receiving country;

- i) Industry of last main employer in home country;
- j) Industry of employer in the receiving country;
- k) Type of work contract (status in employment) in last main job in the home country;
- l) Type of work contract in receiving country;
- m) Length of previous work periods in receiving country;
- n) Capacity to use language of receiving country;
- o) Date of (expected) arrival in receiving country.

For the *return flow* of migrant workers, in addition to variables a) through f), one would expect to have the following variables (broken up by sex):

- p) Occupation of last main job in the receiving country;
- q) Industry of the last main job in the receiving country;
- r) Length of last stay in the receiving country;
- s) Expected length of stay in home country.

For the *stock of foreign and migrant workers*, in addition to variables a) through f), and n), one would want these further descriptive variables (broken up by sex):

- t) Activity status (employed, unemployed, outside the labour force);
- u) Occupation of current job (or last job, if not employed);
- w) Type of work contract (status in employment) in current job (or last job, if not employed);
- x) Length of current stay in country, and total length of employment periods;
- y) Type of family situation in home country;
- z) Type of living situation in receiving country

Several of the administrative registrations cannot be expected to capture reliably the information needed for a number of the above variables, because of their limited relevance to the main objectives of the administrative systems. A number of other variables are not included in the list, but are important for specific types of analysis and description, in particular if undocumented workers are to be counted, since they represent a high percentage of foreign workers in many countries. However, it is extremely difficult to get the necessary information reliably from routine data collection programmes, unless there is a strong user interest in these variables as well as a strong enough commitment to high quality statistics by the responsible agency to ensure that proper procedures and tools are used in the collection and processing of the basic information. The ILO and other international agencies may be able to provide some technical support and advice to national agencies prepared to make such commitments, but all the hard work has to be done locally, and this is also where most of the necessary financial resources have to be committed:

Among the important topics for which one would like to have relevant statistics are the following:

- aa) occupational mobility differences between migrants and national workers over a period of time;
- bb) wages differentials between migrants and national workers and family income differences between migrants and national workers;
- cc) occupational and industrial segregation between migrants and national workers;
- dd) contract differentials between migrants and national workers;
- ee) unemployment rates differentials between migrants and national workers;
- ff) living conditions of workers in the agricultural sector and in the domestic service sector;
- gg) comparison of morbidity, and occupational sickness between migrants and national workers;
- hh) incidence of mortality, comparison between migrants and national workers.
- ii) child labour incidence between the two
- jj) family members' labour force participation rates among migrants and national workers;
- kk) job security differences between the two;

- ll) hours of work differences between the two;
- mm) number of migrants that were smuggled in and number that were trafficked;
- nn) number of them that suffer from exploitative and abusive working and living conditions;
- oo) types of exploitative and abusive conditions suffered by migrant workers;
- pp) number of migrant workers found in the sex sector and in other vulnerable sectors like the domestic sector or street-vending.

## **B. Frequency and timeliness**

It is also very important to determine whether the statistics are produced with the required frequency and timeliness. To be useful for policy formulation and implementation, statistics should be available with a frequency that corresponds to administrative patterns or time-frame for policy decisions, and with a timeliness which ensures that such decisions relate to a current situation rather than to a historical one.

*Administrative recordings on a continuous basis:* Statistics based on positive decisions to grant exit or entry visas, work permits abroad or in the country, permissions to hold foreign currency accounts and membership in special insurance schemes, as well as registrations at the borders and with consulates can, in principle, be produced on a daily or weekly basis, if this serves work management needs. Organizational arrangements normally make it more convenient to compile monthly summary reports. In general, national statistical are based on contributions from several offices, so that the timeliness depends on the delay in receiving the last contribution at the central office, and the time required to control and consolidate them all.

The *recruitment agencies* can be asked to report on their operations, as part of the licensing conditions. Such reporting may be done for each worker, or it may be on a summary basis by filling out questionnaire/tables on the basis of information in the agency's files. The frequency for such reports should again be determined from the needs of the decision making process which will be using the data, as also these can be produced on a daily or weekly basis if needed that frequently. However, depending upon the circumstances of the country, it will be more realistic to demand monthly, quarterly or half-yearly reports.

Statistical surveys of households and enterprises which have to be identified and approached in order for the data to be collected, are in principle much more complex, costly and time consuming operations than the registration of information about persons who present themselves at a border or take the initiative to register or apply for something. This means that the potential frequency for such surveys is much lower than the potential frequency for statistics based on most administrative registrations. Countries that include questions designed to capture information about migrant workers in their regular continuous or monthly labour force surveys will be best placed to obtain some data on these groups with reasonable frequency and timeliness.

## **V. Different strategies depending on the capacity of the country to produce statistics on migrant workers**

### **A. Poor, low capacity, high border crossing volume country**

For this type of country, **a mechanism should be established** whereby it can regularly receive statistical publications and special tabulations from those countries concerning its citizens in general, and on migrant workers in particular. This material should also include statistics on persons apprehended without proper papers. If necessary, the mechanism should involve a formal agreement

with the other countries, and the responsibility for its implementation should be given to the national statistical office and its representatives in the countries in question.

In addition, a poor, low capacity, high border crossing volume country should **also include** an appropriate component in its regular household sample survey (HS). With this, it can provide estimates of the total number of migrant workers both those in the country and those who have left for work abroad. This would be a major achievement, even though the estimates will be imprecise because of the sampling, problems of non-response and the generalized low capacity of the country's institutions that in most cases, will influence the timeliness of all results from the survey, but necessarily their reliability. To include a component on migrant workers in the survey means that, in addition to the relevant questions, particular attention must be paid in defining the population to be included in the scope of the survey and in defining and selecting households. The selection of households must be such that enterprise compounds for foreign workers would be included in the survey and properly weighted in the estimation procedures. The population census, should, of course, cover the same issues as the HS, to serve as a reference point for future HS sampling and estimates, and to provide details that the HS cannot provide, in particular with respect to geographic distribution, age groups, occupations and industries.

A **third element** should be that border registrations should be carried out at the main ports of exit and entry used for long distance international travels, because a major concern of the government should be the "export" and "import" of skilled and highly skilled workers who are likely to be recruited to and from countries located far away, and who tend to travel with proper documentation. Statistics based on these registrations will therefore be useful. It should be recognized, though, that these registrations cannot cover "local" exchange of workers with neighbouring countries, even though these flows may very well numerically and economically represent the dominant part of the movement also of migrant workers. Strong administrative capacity is needed to register all such crossings, or a representative sample of them. Statistics that can throw some light on the size of such flows, and their net impact in terms of the stock of international migrant workers at a point in time, will therefore have to be derived from the household survey.

The **fourth item** to consider should be the reports from agencies licensed to recruit nationals for work abroad. The authorizations issued to the agencies should specify the type of information that should be contained in records, as well as the types of summary reports which must be prepared for the licensing authorities on a regular basis, e.g. quarterly.

## **B. Rich, tightly controlled country with few ports of entry**

A rich, tightly controlled country with few ports of entry can afford to use all the data sources and collection mechanisms that have been discussed before. However, as none of them alone can provide a basis for statistics that are sufficient to give answers for all concerns with respect to the international migration of workers to and from the country, a combination of selected sources needs to be exploited:

The **first** essential element to obtain statistics on migrant workers is work permits issued and later linked to registrations at the times of arrival and departure. With the right equipment those registrations can be almost completely automatic, allowing checks against visas and work permits to take place during the passport and customs control procedures. The investment in computer equipment and software will, however, have to be substantial for such procedures to operate in real time. The type of information requested of foreigners at departure will depend on the possibilities that they have had for changing employer and for obtaining or changing work permits while in the country. Statistics

indicative of the number of clandestine foreign workers can be produced on the basis of those who have overstayed the duration of their permits, supplemented with statistics on apprehensions of clandestine border crossings or residence in the country. Registration of departing and returning nationals may be linked to a system of permissions to work abroad, but should be more likely motivated by the need for statistics than the desire to control population or worker movements.

The **second** essential element should be the reports that employers have to make about their employees to the tax and social security services. Such reporting requirements may include all employees who work for more than a specified minimum period or total pay, i.e. as part of a compulsory health insurance scheme for all workers regardless of nationality. A type of special insurance scheme for migrant workers can be seen as an additional element.

A **third** element is a suitable component of the regular household survey (HS), designed to supplement the administrative information obtained from the first two. This component will serve as a mechanism for calibrating the extent to which those administrative sources can produce comparable statistics over time.

Finally, a **fourth** element will be a system of *Unique Personal Identification Numbers (UPIN)* allocated to all residents, and a supplementary special, random number UPIN-F, allocated to all foreigners with valid documents for entering the country but who do not qualify as residents will open possibilities for a wide range statistics based on the linking of administrative and statistical registrations for the same individuals at different points in time, as well as for linking individuals defined to have e.g. family or other relationships. UPIN-F should be issued together with the entry visa, work permit or upon entry into the country with another form of valid document. It should be used throughout their stay, for example in all the registrations referred to above. Use of UPINs and UPIN-Fs will greatly facilitate both the control procedures and the combination of various administrative and statistical sources to make quality checks and produce richer statistics.

### **C. Middle-income countries, slightly controlled with some or many ports of entry**

The source that is probably most available for the greatest number of countries is the population census. Advantage can also be taken of associated annual sample surveys to investigate net immigration or emigration during the year preceding the inquiry, and the size and the characteristics of the immigration stock. Efforts should, however, be made to measure length of stay (or absence) in terms of specific dates rather than in terms of pre-specified periods so that tabulations by different lengths of stay (or absence) may be produced and several definitions of labour migration accommodated. Similarly, it would be advantageous to record a variety of items indicating “origin”, “place of birth”, “citizenship”, and “place of previous residence”, for instance so that comparisons in terms of any of these variables might be feasible.

In order not to overload census questionnaires, additional information on labour migration is best collected either through specialized census sample modules or through separate sample surveys. The richer and more detailed data that can be obtained from such surveys are particularly useful for providing insights into the underlying processes of migration. In the receiving countries, surveys can provide useful information on adaptation or assimilation of immigrants. “Sample” surveys also deserve more attention, particularly, since a significant proportion of labour movements are now undocumented.

## **VI. Conclusions**



Among the factors that need to be considered when studying countries' capacity to produce statistics are: 1) "Rich" countries can use more resources for statistics than "poor" ones; and 2) countries with honest, competent, effective and well coordinated public administrations can produce more and better statistics than countries struggling with largely untrained staff, inexperienced and uncoordinated administrations. For 'flow' statistics it is also important to remember countries with a large number of possible ports of entry/exit need to operate more observation posts than countries with a limited number of such ports; and countries with "large" flows of travellers across their borders will have a larger total "population" to cover by data collection operations than countries with "small" flows of travellers.

The most difficult situation is obviously that of a country with limited resources and an inexperienced administration, with large numbers of entry/exit ports through which a large number of international travellers pass. The best situation is obviously that of a well to do country, with experienced and well co-ordinated administrations and a limited number of ports through which a limited number of travellers pass. Almost all countries will find themselves somewhere in between these two extremes. Iceland may be an example of a country close to the "best" situation. The reality for many countries in Africa and some in Asia and Latin America is that they find themselves close to the most difficult situation, in which it is virtually impossible to produce statistics that can provide a reasonably complete picture of the stock and flows of migrant workers.

Each of the major sources of statistics offers advantages and disadvantages in regard to the type of information it can provide and the requirements for its effective use. It is essential to exploit the existing sources more intensely, to evaluate their quality and completeness, make improvements where possible, and supplement them by additional data sources which can be developed and attached to the existing sources without too much cost or difficulty. An integrated system of data collection would employ all these sources for complementary purposes. A proper strategy for improved statistics on the international migration of workers involves not only the use of existing sources of information, but should also consist of developing these sources to provide a coherent, harmonized picture of the situation. Elements of the strategies mentioned for poor, low capacity, high border crossing volume countries and for rich, tightly controlled countries with few ports of entry, can be implemented in many countries where statistics on migrant workers are currently missing completely or are less comprehensive than they should be, provided that there is both a general concern for adequate statistics and a specific concern with statistics on the international migration of workers.

Improved statistics on migrant workers can only be achieved through improvements in data collection programmes with wide coverage and objectives: population registration systems, social security and tax registrations, border registration of travellers, general household surveys and populations censuses. It should be remembered that while administrative sources are of fundamental importance for measuring migration flows, they are often not adequate or appropriate for assessing the immigrant stock of a country. National population censuses and specialized sample surveys can generate more relevant data for migration policy analysis of migration stocks. However, most of the improvements on data collection can only be introduced gradually, i.e. over several years, and must be closely linked to general improvements in the administrative and statistical capacities of countries.

In order to obtain adequate statistics to describe and analyse the size, structure and development of international migration and groups of international labour migrants, the elements needed to produce them must be incorporated into all the relevant areas of social and demographic statistics, labour statistics and economic statistics. Statistics on migrant workers must be seen as an integral part of labour statistics, not as an added complication for demographic statistics that are compiled primarily for objectives other than analysing and describing labour markets and their developments. Both the data collection instruments traditionally used as a basis for statistics on

“international migration” and data collection systems which had never before been concerned with them must be re-examined in light of the broader demand for statistics relevant for understanding the role of migrant workers and their situation, with respect to a much wider range of issues than in the past.

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**ANNEX 1. REVISED TAXONOMY OF INTERNATIONAL INFLOWS AND OUTFLOWS**

**ACCORDING TO ENTRY STATUS ESTABLISHED BY RECEIVING STATE**

	<b>CITIZENS</b>	<b>FOREIGNERS</b>		<b>CITIZENS</b>
	<b>OUTFLOWS</b>	<b>INFLOWS</b>	<b>OUTFLOWS</b>	<b>INFLOWS</b>
	1. Border workers departing daily or weekly to work in a neighbouring country	Foreign border workers entering daily or weekly to work	Foreign border workers departing daily or weekly to go home	Border workers returning daily or weekly to their home
	2. Departing citizens in Transit	Arriving foreigners in transit	Departing foreigners in transit	Arriving citizens in transit
	3. Departing excursionists	Arriving foreign excursionists	Departing foreign excursionists	Returning excursionists
	4. Departing tourists	Arriving foreign tourists	Departing foreign tourists	Returning tourists
	5. Departing business travellers	Arriving foreign business travellers	Departing foreign business travellers	Returning business travellers
	6. Departing diplomatic and consular personnel (plus their dependants and household employees)	Arriving foreign diplomatic and consular personnel (plus their dependants and household employees)	Departing foreign diplomatic and consular personnel (plus their dependants and household employees)	Returning diplomatic and consular personnel (plus their dependants and household employees)
	7. Departing military personnel (plus their dependants)	Arriving foreign military personnel (plus their dependants)	Departing foreign military personnel (plus their dependants)	Returning military personnel (plus their dependants)
	8. Nomads	Nomads	Nomads	Nomads
	9. Citizens departing to study abroad (plus their dependants)	Arriving foreigners admitted as students (plus their dependants, if allowed)	Departing foreign students (plus their dependants)	Citizens returning from studying abroad (plus their dependants)
	10. Citizens departing to be trained abroad (plus their dependants)	Arriving foreigners admitted as trainees (plus their dependants, if allowed)	Departing foreign trainees (plus their dependants)	Citizens returning from being trained abroad (plus their dependants)
	11. Citizens departing to work abroad (plus their dependants)	Arriving foreigners admitted as migrant workers (plus their dependants, if allowed)	Departing foreign migrant workers (plus their dependants)	Citizens returning from working abroad (plus their dependants)
	12. Citizens departing to work in an international organization abroad (plus their dependants and employees)	Arriving foreigners admitted as international civil servants (plus their dependants and employees)	Departing foreign international civil servants (plus their dependants and employees)	Citizens returning after having worked in an international organization abroad (plus their dependants and employees)
	13. Citizens departing to establish themselves in a country where they have the right to free establishment	Arriving foreigners having the right to free establishment	Foreigners departing after having exercised their right to free establishment	Citizens returning from a country where they exercised their right to free establishment
	14. Citizens departing to settle abroad	Arriving foreigners admitted for settlement without limits on duration of stay	Foreign settlers departing	Citizens returning after having settled abroad
	15. Citizens departing to form a family or join their immediate relatives abroad	Arriving foreigners admitted for family formation or reunification	Departing foreigners originally admitted for family formation or reunification	Citizens returning after having migrated for family formation or reunification
	16. Citizens departing to seek asylum	Foreigners admitted, as refugees	Departing refugees	Repatriating refugees
	17. Citizens departing to seek asylum	Foreigners seeking asylum	Departing former asylum-seekers (not granted refugee status)	Returning former asylum-seekers
	18. Citizens departing without the necessary admission permits	Foreigners whose entry is not sanctioned	Deported foreigners	Citizens being deported from abroad

## **ANNEX 2. Definitions of the categories included in the taxonomy**

### **A. Categories of transients not relevant for international migration**

1. *Citizens departing as border workers - Foreign border workers*: Foreign persons granted the permission to be employed on a continuous basis in the receiving country provided they depart at regular and short intervals (daily or weekly) from that country.

2. (a) *Citizens in transit*: Persons who arrive in their own country but do not enter it formally because they are on their way to another destination.

(b) *Foreigners in transit*: Foreign persons who arrive in the receiving country but do not enter it formally because they are on their way to another destination.

### **B. Categories relevant for international tourism**

3. *Citizens departing as excursionists - Foreign excursionists* (also called "same-day visitors"): Foreign persons who visit the receiving country for a day without spending the night in a collective or private accommodation within the country visited. This category includes cruise passengers who arrive in a country on a cruise ship and return to the ship each night to sleep on board as well as crew members who do not spend the night in the country. It also includes residents of border areas who visit the neighbouring country during the day to shop, visit friends or relatives, seek medical treatment or participate in leisure activities.

4. *Citizens departing as tourists - Foreign tourists*: Foreign persons admitted under tourist visas (if required) for purposes of leisure, recreation, holiday, visits to friends and relatives, health or medical treatment, or religious pilgrimage. They must spend at least a night in a collective or private accommodation in the receiving country and their duration of stay must not surpass 12 months.

5. *Citizens departing as business travellers - Foreign business travellers*: Foreign persons granted the permission to engage in business or professional activities that are not remunerated from within the country of arrival. Their length of stay is restricted and cannot surpass 12 months.

### **C. Categories traditionally excluded from international migration statistics**

6. *Citizens departing with the status of diplomatic or consular personnel or as dependants and employees of that personnel - Foreign diplomatic and consular personnel plus their dependants and employees*: Foreigners admitted under diplomatic visas or permits. Their dependants and domestic employees, if admitted, are also included in this category.

7. *Citizens departing with the status of military personnel or as dependants or employees of that personnel - Foreign military personnel plus their dependants and employees*: A category encompassing all foreign military servicemen, officials and advisers together with their dependants and domestic employees stationed in the country of arrival for a limited period.

8. *Nomads*: Persons without a fixed place of residence who move from one site to another, generally according to well-established patterns of territorial mobility. When their trajectory involves crossing current international boundaries they become part of the international flows of people. Some nomads may be stateless persons because, lacking a fixed place of residence, they may not be recognized as citizens by any of the countries through which they pass.

#### **D. Categories relevant for the compilation of international migration statistics**

9. *Citizens departing to study abroad - Foreign students*: Foreigners admitted under special permits or visas allowing them to undertake a specific course of study in an accredited institution of the receiving country. If their dependants are admitted, they are also included in this category.

10. *Citizens departing to be trained abroad - Foreign trainees*: Foreigners admitted under special permits or visas allowing them to undertake training that is remunerated from within the receiving country. If their dependants are admitted, they are also included in this category.

11. *Citizens departing to work abroad - Foreign migrant workers*: Foreigners admitted by the receiving State for the specific purpose of exercising an economic activity remunerated from within the receiving country. Their length of stay is usually restricted as is the type of employment they can hold. Their dependants, if admitted, are also included in this category.

12. *Citizens departing to work for an international organization abroad - Foreigners admitted as international civil servants*: Foreigners admitted under special visas or residence permits as employees of international organizations located in the territory of the receiving country. If their dependants and employees are admitted, they are also included in this category.

13. *Citizens departing to exercise their right to free establishment - Foreigners having the right of free establishment*: Foreign persons who have the right to establish residence in the receiving country because of special treaties or agreements between their country of citizenship and the receiving country. Their dependants, if admitted, are included in this category.

14. *Citizens departing to settle abroad - Foreigners admitted for settlement*: Foreign persons granted the permission to reside in the receiving country without limitations regarding duration of stay or exercise of an economic activity. Their dependants, if admitted, are also included in this category.

15. *Citizens departing to form a family or join immediate relatives abroad - Foreigners admitted for family formation or reunification*: This category includes the foreign fiancé(e)s and foreign adopted children of citizens, the foreign fiancé(e)s of other foreigners already residing in the receiving country, and all foreign persons allowed to join their immediate relatives already established in the receiving country.

16. *Citizens departing to seek asylum - Refugees*: Foreign persons granted refugee status either at the time of admission or before admission. This category therefore includes foreign persons granted refugee status while abroad and entering to be resettled in the receiving country as well as persons granted refugee status on a group basis upon arrival in the country. In some cases, refugee status may be granted when the persons involved are still in their country of origin through "in-country processing" of requests for asylum. Refugee status may be granted on the basis of the 1951 Convention relating to the Status of Refugees and the 1967 Protocol, other pertinent regional instruments, of humanitarian considerations.

#### **E. Other categories relevant for the measurement of international migration but encompassing persons whose duration of stay in the receiving country is uncertain**

17. *Citizens departing to seek asylum - Foreigners seeking asylum*: A category that encompasses both persons who are eventually allowed to file an application for asylum (asylum-seekers proper) and those who do not enter the asylum adjudication system formally but are nevertheless granted the permission to stay until they can return safely to their countries of origin (in other words, foreigners granted temporary protected status).

18. *Citizens departing without the admission documents required by the country of destination*  
*Foreigners whose entry or stay is not sanctioned*: This category includes foreigners who violate the rules of admission of the receiving country and are deportable, as well as foreign persons attempting to seek asylum but who are not allowed to file an application and are not permitted to stay in the receiving country on any other grounds.

Source: United Nations: *Recommendations on Statistics of International Migration*, Rev. 1 (p.10-15) from Treaty Series, vol. 189, No. 2545 and vol. 606, No. 8791.

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## Annex 3.

# Movement of Natural Persons Supplying Services Under the GATS

### **GATS framework**

1. The growth of trade in services and the internationalisation of services production have led to an increase in the movement of natural persons as service providers across borders. Firms operating internationally need to transfer expertise through the temporary relocation of specialists and professionals. The development of faster, lower cost transport services and communication networks, as well as improvements in the dissemination of information generally, tend to make the temporary movement of natural persons an increasingly important mode or aspect of trade. Established statistical systems do not include this aspect of trade in services in the scope of trade. Nor can existing mechanisms for administrative reporting of the movement of natural persons across international borders or for direct collection of the necessary information by statistical agencies capture Mode 4 activities in a satisfactory manner. As a result, available statistics are scarce and incomplete, and this makes it difficult to get internationally comparable statistics on trade in services according to this mode and in particular on the movement of natural persons across international borders.
2. Trade in services involving the **presence** of foreign nationals is defined in the GATS as Mode 4. Mode 4 is the supply of service by a supplier from one member country (say, country A) in the territory of any other member (country B) through the presence of natural persons of a member (citizen or resident of country A or any other country except B). In other words, the definition states that Mode 4 is the production, distribution, marketing, sale, or delivery of a service abroad by a natural or juridical person (to the extent a juridical person employs foreign nationals in the host country). The GATS *Annex on Movement of Natural Persons Supplying Services Under the Agreement* (GATS Annex) describes the movement of natural persons as seeking *non permanent* entry to supply services abroad. Thus, the GATS refers to the "presence," which is the stock of foreign service providers at any given period in time, while the GATS Annex addresses their "movement." The GATS Annex extends to natural persons of all categories<sup>1</sup> who could be engaged with a "temporary" or "non-permanent" status by any service supplier supplying the service including one present in the host country. For the purposes of national commitments under the GATS, "temporary" or "non-permanent" status may be interpreted by each member state and might also differ for different categories of persons.<sup>2</sup>
3. This suggests that the agreement covers natural persons:
  - a. who are independent service providers abroad. This is the case where a foreign natural person has the status of a juridical person-for example, as is the case with a number of persons providing professional services: he or she could sell services to the host country company under the agreement or to an individual consumer through Mode 4-for example, as an architect or an accountant. The sale of such services is covered by *BPMS* trade in services (i.e. services transactions between residents and non-residents), although these sales are included with sales of such services through other modes of supply.

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<sup>1</sup> Natural persons performing particular services in any of the services sectors and if any skill level.

<sup>2</sup> The annex is very clear that the GATS does not apply to measures affecting natural persons seeking access to the employment market of a member, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis, nor shall it prevent a member from applying measures to regulate the entry of natural persons into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and of course the orderly movement of natural persons across its borders. In addition, the sole fact of requiring a visa for natural persons of certain members and not of others, shall not be regarded as nullifying or impairing benefits under specific commitments.

b. who are employed abroad by service companies:

- (i) that are foreign (owned, controlled, or affiliated) companies with some presence in the host country; or
- (ii) that are domestically owned firms; or
- (iii) that have no lasting presence in the host country, e.g. if a foreign company as a service supplier obtains a contract or is subcontracted to supply services to the host country company and sends its employee(s) to provide the services. The foreign natural persons employed by a foreign-owned company with a service contract would be employees of a non-resident employer.

In effect, the case (b. i) is related to trade through commercial establishment (Mode 3). However, the GATS commitments allocate to Mode 4 that part of a service that involves the presence of natural persons abroad. In either case, services could be supplied for final use as consumption or investment, or as an intermediary product, and be supplied to an individual consumer or a company.

4. At present, the value of services provided through Mode 4 may be recorded in a number of ways. Some services provided through Mode 4 are recorded as part of resident/non-resident transactions in services as described in *BPM5* and in Chapter III of this *Manual*, indistinguishably included with resident/non-resident transactions that take place through other modes of supply. This is discussed further in Chapter II, which describes some simplified rules of allocation for such services across the modes of supply. The compensation for the provision of labour across national economic boundaries is recorded in *BPM5* as *compensation of employees* in the case where employment is for less than one year. In the case of employment that occurs for more than one year, partial information is available through the *BPM5* component *workers' remittances*. *Compensation of employees and workers' remittances* has been discussed in the main body of the *Manual*. Some data on services provided through Mode 4 may also be available as supplementary information for FATS statistics. Notwithstanding their limited applicability as aggregate measures, these data are often the best approximation available for identifying the relative importance of trade through Mode 4, if the country does not have a large permanent resident population of foreign workers. Future development of these statistical measures that could allow the separate identification of the part arising from services activities and remittances by non-permanent workers would lead to a greater compatibility with Mode 4.
5. When a natural person provides a service, it is the value of his or her service or product delivered that is the main variable to be identified and measured, to allow comparisons across the modes of supply and between countries. In the case of services transaction between residents and nonresidents, a value of contract or income received may be seen as the best measure for quantifying this type of trade. However, employment does not lend itself to product classification. In addition, as has been noted, more than one mode of supply may be involved in the delivery of a service product, and the allocation of the value of trade according to the modes of supply may be difficult. Other types of statistics that may be used to demonstrate the importance of the movement of persons in the delivery of a service are (i) income of the foreign natural persons temporarily engaged for the delivery of services in all domestic companies or to natural persons directly, and/or (ii) the number of these foreign persons.
6. As underlined above, the GATS makes clear that in the GATS trade sense Mode 4 does not represent international migration as commonly defined. The key differentiating factor is the GATS notion that the presence of natural persons is not for permanent employment in the receiving country-as self-employed or by an establishment located there-but for the purpose of temporarily supplying a service there. When the service product has been delivered, the presence is to be terminated, and the natural person should leave the country. Hence the temporary nature of the movement as well as of the contact between the service provider and the consumer of the service is a key criterion for this mode of supply.



7. A one year rule for residency for persons as well as establishments is used in the *BPMS*, the *SNA*, and the recommendations concerning international migration. Applying this rule of thumb means that whether and how foreign nationals' economic activities are attributed statistically to the economies of the sending and receiving countries will depend on the length of their stay in the host country. However, the one year cut off point adopted in the statistical frameworks does not correspond to the meaning of a "temporary stay" adopted in the *GATS*. As a result, the available statistical information on economic activities of residents will contain elements related to the temporary (in the *GATS* sense) presence. Thus, from the point of view of trade policy, the one year rule for residency and the related statistics are not very satisfactory.
8. It should be noted that although the *GATS* agreement covers all categories of persons who deliver a service while resident in another WTO member country, so far, for the majority of member countries, *GATS* commitments have been made only for business visitors and investment-related visits. These commitments include high-level managers as well as specialists with unique knowledge, normally not available locally. Foreign seasonal and short-term workers in, for example, agriculture, hotel and catering, or construction have not been included so far in a WTO member country's commitment under the *GATS*, even if they do not obtain residence status in the country and thus satisfy the *GATS* criteria. This is because national legislation will tend to see them as "nonresident employees" of those engaging them, and their provision of labour services is not seen as being part of international trade. The interest of policy makers and trade negotiators would be to identify in the statistics all foreign nationals who are delivering service products of the type for which commitments are being made or that might be made in the future, as well as, and separate from, statistics on foreigners employed 'directly' with a resident and non-resident status. Together such statistics will provide good indicators of the extent to which the domestic economy is dependent on foreign workers as well as the participation of foreign expertise in delivering services. Such information could provide the basis for policy makers to adjust other regulatory measures if necessary-for example, to remove obstacles or facilitate employment conditions for certain categories of persons.
9. The UN *CPC* provides the basis for classifying different services as products of economic activities, including those delivered by foreign natural persons supplying services in the compiling economy. To establish a link between the characteristics of those persons representing the movement of natural persons and the product classification is of particular relevance because *CPC* will serve as a guideline for elaboration of the future classifications for specific aspects of the economy, including international trade in services.
10. In the absence of direct observations on the provision of services through Mode 4, more than one statistical measure could be used to demonstrate to what extent the presence of natural persons is involved in the delivery of services. The following statistical classification systems will be considered in order to establish to what extent they could provide information related to services trade on the number of foreign persons who are employed on a non-permanent basis in the host economy's service industries in their respective occupational groupings and their value added to the host economy.

## **The ILO International Standard Classification of Occupations**

11. As a first approximation, occupational groups may be used to distinguish between the different categories of services provided by foreign nationals. The ILO *International Standard Classification of Occupations (ISCO-88)* provides a sound basis for international comparability of statistics on the categories of foreign natural persons who are participating in the delivery of traded services. This framework may be used for conducting negotiations concerning Mode 4 as well. The availability of statistical information on employment in all or the selected categories—for example, from the latest population census or a labour force survey—could allow negotiators to understand their significance and thus better focus the negotiations and advance liberalisation of market access for those categories and groups of persons that are relatively more important for the international trade in services. Further work would need to be done, however, to identify the main occupational groups included or likely to be included in the commitments in the future rounds of negotiations—that is, to establish the most relevant links between *ISCO-88* and CPC categories—and to investigate how to collect the necessary information reliably and effectively.

### **Classification according to industry**

12. The lack of statistical information on the distribution of foreign employment according to occupation might necessitate the use of data on foreign employment on the basis of the economic activity of the importing or exporting units. The question of how to make the best use of the UN classification system for economic activity (ISIC) as a tool for this purpose needs to be investigated further.

### **Classification according to status of employment**

13. A number of WTO members have included "independent service providers" in their GATS-specific commitments. To identify foreign nationals as "independent service providers," reference may be made to the criteria used in the *SNA* or in *the International Classification of Status in Employment (ICSE-93)*. ICSE-93 describes five substantive groups<sup>3</sup> and outlines a number of subcategories, some of which may be relevant in the context of trade in services. The main criteria used to define the groups of this classification are the type of economic risk and authority between the person and the job and the type of authority over the establishment. In principle, these criteria correspond to those used in the *SNA* for the corresponding variable used to classify the household sector units according to main source of income (see paragraph 4.151 of the 1993 *SNA*).

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<sup>3</sup>The five substantive groups are 1) employees, among whom "employees with stable contracts" may be distinguished; 2) employers; 3) own account workers; 4) members of producers' cooperatives; and 5) contributing family workers. A sixth category

## **Movement of persons and FATS statistics**

14. A resident employer could be either a host country-owned or a foreign-owned establishment. The majority of GATS-specific commitments cover the movement of persons for intracorporate transfers, especially in the senior management/executive positions. In some cases, this also involves specialists, the categories of which may be expanded in the future. The framework of FATS is best positioned to provide information that is particularly relevant for commitments made in this area. The data on foreign employees as the share of the total number of persons employed-and the associated compensation-are likely to throw light on the implementation and real impact of GATS commitments. In particular, it would be very useful if those foreign employees who are engaged on short- or fixed-term contracts and those who are border workers on any type of contract could be identified separately. The measure of compensation may provide a reasonably good approximation of the importance of foreign expertise in the delivery of services to the host economy, in particular if the concern is more with the changes taking place than with the overall levels. The availability of information on employment of foreign service-providers according to ISCO categories would be particularly relevant for negotiations.
15. In principle, this information is sought for all non-permanent employment, including seasonal and short-term, in all services sectors as established by the GATS classification. Residence status under Mode 4 is not subject to negotiations and is outside the scope of the GATS. However, residence status could be used to differentiate non-permanent from temporary employment. A common understanding could be adopted on this basis as in other statistical classification systems.

## **Movement of persons and BPM5**

16. As described in paragraph 7 of this Annex, *BPM5 provides* several measures related to the movement of natural persons. Although *BPM5* recommends a breakdown of resident/non-resident trade in services by component (a breakdown that is further broken down in this *Manual*), it does not recommend any breakdown of *compensation of employees or workers' remittances* according to the services components or activities. The definition of residency for data collection in the 1993 SNA and in *BPM5* stems from the need for consistent statistical practice throughout all statistics within a country and between countries. These and other international statistical frameworks, such as the UN *Recommendations on Statistics of International Migration*, specify one year as the threshold for determining "residency" for both natural and institutional persons. However, because GATS commitments made by member countries are generally based on criteria contained in national laws and regulations, both commitments and national statistics are normally derived from the same framework of definitions. As a result, when available from administrative sources, statistical data on the movement of persons in accordance with the GATS often can be expected to be compatible with the national commitments made.
17. *BPM5* labour-related payment flows do not distinguish between compensation of persons working in the service-producing activities and those working in other industries. *BPM5* records the earnings of non-residents as *compensation of employees*, while their expenditure in the host economy is placed in the *travel* component. Compensation of employees comprises wages, salaries, and other compensation received by individuals-from employing enterprises resident in economies other than that in which the employee is resident for work performed for residents of those economies.

Compensation of employees is classified within income in *BPM5*, but it reflects Mode 4-related trade in services. This measure tends to underestimate Mode 4-related trade, because it covers only persons employed by employers resident in the host economy. In addition, the specification of a one-year benchmark is not formally established in the GATS and may lead to an over- or underestimation relative to the national commitments. Compensation of employees broken down according to the services activities would be especially important in obtaining additional detail for Mode 4 relevant statistics.

18. Individuals who stay abroad for one year or more, or who intend to do so, are regarded in the 1993 SNA and in *BPM5* as residents of the foreign economy, so their earnings and expenditures are not recorded in the balance of payments because these flows are domestic transactions within that foreign economy.<sup>4</sup> Workers' remittances in *BPM5* are goods and financial instruments transferred by migrants living and working in new economies to residents of economies in which the migrant formerly resided.
19. Workers' remittances as information on Mode 4 trade in services refers in principle to the residual of income earned in the migrants' new economies after allowance for expenditure and savings of the migrants in their new home economies. In that sense, workers' remittances underestimates the value of services supplied through Mode 4. Though remittances record transfers by residents in the *BPM5* sense, these are not necessarily residents in the GATS sense because the GATS does not provide precise guidelines for the definition of temporary presence and most member countries' commitments refer to a several years of stay for a few categories of persons. However, including all resident workers leads to the overestimation of the Mode 4-related trade flows. However, workers' remittances may serve as a useful complement to the information provided by compensation of employees. In addition, this measure may be used as a proxy not for identifying the Mode 4-related trade as such but to establish in which mode of supply a particular country holds comparative advantage.

#### **Other relevant information**

20. Some of the WTO members have referred to the regulations used to grant work permits in their GATS schedules of commitments, even though specific numbers of work permits have not been subjected to multilateral trade negotiations. Thus statistics on the number and type of work permits granted and currently valid (e.g., by duration and occupation) would be of great interest to trade negotiators.
21. Some countries may be able to obtain relevant information from government-run social security systems and national health insurance schemes, although they normally only cover resident foreigners who are economically active. Statistics on arrivals and departures monitored by immigration or tourism authorities may provide information about foreign nationals concerning their origin/destination, length of stay, purpose of visit, and so on.

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<sup>4</sup>The one-year rule does not apply to students, medical patients, and employees working in government enclaves such as embassies and military bases, who remain residents of their economies of origin even if the length of stay in another economy is one year or more.

## **Population censuses and household surveys**

22. Statistics from population censuses are of limited usefulness for obtaining information relevant to Mode 4 because they are produced at long intervals and the results are available too late to help monitoring the current or recent developments with respect to the presence of foreign workers, in particular those present (or absent) only for a limited period. In addition, both the population census and household surveys are frequently limited to the resident population, and therefore do not cover short-term visitors involved in trade in services.

### **Elements of trade-related movement of persons in existing UN recommendations on Statistics**

23. No existing statistical system satisfactorily captures the temporary presence of natural persons abroad from the trade perspective. The UN “Recommendations on Statistics of International Migration” framework for the characterisation of different categories of international migration refers to categories of international migrants and non-migrants, some of which may be relevant to GATS Mode 4 if in each case the period of stay is restricted—that is, non-permanent and related to the supply of service product. A part of this framework is set out below.

#### *Non-migrant categories:*

24. *Foreign border workers:* Foreigners granted the permission to be employed on a continuous basis in the receiving country provided they depart at regular and short intervals (daily or weekly) from that country.
25. *Visitors (from abroad to the country):* Foreigners admitted for short stays for purposes of leisure, recreation, holidays; visits to friends and relatives; business or professional activities not remunerated from within the receiving country; health treatment; and religious pilgrimages.
26. *Foreign business travellers:* Foreign persons on short visits related to business or professional activities not remunerated from within the country of arrival, whose length of stay is restricted and cannot surpass 12 months.

#### *Foreigners admitted for employment:*

27. *Migrant workers:* Persons admitted by a country other than their own for the explicit purpose of exercising an economic activity remunerated from within the receiving country. Some countries distinguish several categories of migrant workers, including (i) seasonal migrant workers, (ii) contract workers, (iii) project-tied workers, and (iv) temporary migrant workers.
28. *Migrants having the right to free establishment or movement:* Foreigners who have the right to enter, stay, and work within the territory of a state other than their own by virtue of an agreement or treaty concluded between their state of citizenship and the state they enter.
29. *Migrants for settlement:* Foreigners who are granted permission to stay for a lengthy or unlimited period and who are subject to virtually no limitations regarding the exercise of an economic activity.
- a. *Employment-based:* Foreigners who are selected for long-term settlement because of their qualifications and prospects in the receiving country's labour market, but who are not admitted expressly to exercise a particular economic activity.
  - b. *Entrepreneurs and investors:* Foreigners who are granted the right to long-term settlement activities in the receiving country.