

International Labor Migration: The Numbers-Rights Dilemma

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Temporary foreign worker programs admit migrants to fill jobs for periods ranging from several months to several years. While abroad, the rights of migrants are generally restricted in the sense that being fired or laid off ends a migrant's right to remain legally in the country. However, international labor and migration conventions hold that while employed, migrants are entitled to basic rights, such as the right to form and join unions, and should be treated the same as local workers.

Many international organizations and NGOs highlight deficiencies in the treatment of migrants and call for a rights-based approach to managing migration, that is, placing primary emphasis on ensuring that migrants enjoy basic labor rights and equal treatment. However, some development organizations and migrant-sending governments emphasize the desirability of more international labor migration so that workers can earn higher wages and remit more to their countries of origin to speed up economic development.

In practice, rights for temporary foreign workers reflect relative supply and demand parameters and government policies. There are relatively few high-skilled migrants available, so employers and governments wanting to attract them must usually offer more rights, including work and residence permits valid for several years, the right to have family members accompany them, and the option of converting to immigrant. Highly skilled migrants are more likely to understand local labor laws and demand equal treatment with similar workers.

Most of the world's workers have low-skills, and globalization that makes them more mobile often results in competition for higher wage jobs abroad. As a result of such competition, migrants pay fees even to work in places that do not guarantee fundamental labor rights and equal treatment with local workers. Migrant-sending governments sometimes try to regulate such recruitment fees, and may cooperate with migrant-receiving governments to improve labor law enforcement.

The migrant numbers-rights dilemma arises from the simple fact that inequality motivates migration, but international norms call for basic rights and equal treatment after arrival. There is no easy or universal answer as to whether numbers or rights should get higher priority in particular situations. In the "global war for talent," European countries are catching up with traditional immigration countries such as the US by allowing foreign students who graduate to find jobs with local employers after graduation, and introducing Blue-card schemes that lay out a path to immigrant status to be more attractive to college graduates seeking to move for

opportunity. As a result, there is a positive relationship across countries between the number of high-skill migrants and their rights.

At the bottom of the job ladder, there is a negative relationship between migrant numbers and rights. Countries with wages higher than in labor-sending areas that guarantee migrants fundamental labor rights and equal treatment with local workers have relatively few low-skilled migrants, while higher-wage countries that do not have or enforce labor rights have relatively more.

The resulting trade off between numbers and rights poses a dilemma for those who believe that more low-skill labor migration will speed up economic development. On the one hand, more migrants means higher wages and more remittances, but perhaps at the cost of having more workers in countries that do not respect fundamental rights and ensure equal treatment. Some migrant-sending countries try to restrict migration to countries that they believe do not offer sufficient protections, as when the Philippines barred migration for a time to Singapore and Lebanon.

The X-shape linking numbers and rights for high- and low-skill migrants is evident in negotiations under the auspices of the World Trade Organization's General Agreement on Trade in Services to liberalize trade in services. Most of the world's workers provide services, and the question is whether minimum wages, payroll taxes to cover the cost of pension benefits, and other work-related laws should apply to migrant service providers. Developing countries led by India argue that labor laws calling for minimum wages and participation in work-related benefit programs are a form of protectionism that will reduce the demand for migrant service providers in higher wage countries. In perhaps starker relief than with similar arguments over trade in goods made under conditions that violate basic labor rights, arguments over migration and labor laws highlight trade offs between access to higher wage labor markets and treatment while employed there.

Answers to three questions could provide guidance on the optimal trade off between migrant numbers and rights. First, how much do migrant numbers fall if migrants are assured basic rights and equal treatment? Experience in the Philippines with a minimum \$400 monthly wage for so-called Supermaids suggests that the number of migrants deployed can fall sharply, in this case by over 50 percent.

Second, if fewer rights increase migrant deployments, how much do remittances increase, and how do increased remittances translate into faster development? Remittances reduce poverty in the households receiving them, but it is less clear whether more remittances generate stay-at-home development. Third, migrant-receiving countries may want to enforce basic and equal rights in order to avoid a race to the bottom and protect both migrants and local workers. Allowing migrants to be treated less favorably may increase employer demand for migrants, concentrate them in particular sectors and, if some settle, lead to integration dilemmas.

The migrant rights regime was largely developed in postwar Europe, aiming to protect workers who crossed national borders during the uneven recovery from wartime destruction. Working abroad was considered to be short-term bridge for both migrants and migrant-sending countries.

Today, when some workers spend most of their working lives in other countries and some countries appear poised to send workers abroad for decades, it is time for an explicit discussion of the numbers-rights trade off.