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Immovable Ideas: Myths and Truths

What stops the five massive, and mounting, pressures for movements of labor from resulting in even greater flows of people across borders? Ultimately, ideas do. However, the proximate cause that inhibits labor mobility is *coercion*. People with guns apply force to prevent people from crossing borders. People with guns force people to leave if discovered in a country without permission. The fact that this coercive force is (usually) exercised with domestic political legitimacy, restraint, or even prudence in rich countries should not mask the fact that it is coercion.¹ The threat or actual exercise of nation-state coercion prevents people from crossing borders to participate in ordinary economic transactions—like haircuts, buying food, and arranging home repairs—that are routine within countries and would be voluntary and mutually beneficial. In all the rich industrial countries, this coercion is under the complete control of a legitimate democratic state, which almost certainly faithfully, if crudely, represents in some way the preferences of its current citizens. Following that

1. The protections provided to asylum seekers before expulsion, for instance, generate costs and resentments that many asylum seekers are not “legitimate”—precisely because the coercion is so, appropriately, hedged about with protections.

chain of causes, the ultimate reason that there is not massively more mobility of labor across national borders is that the *citizens of the rich industrial world do not want it*. Standing firm against the irresistible economic forces for greater labor mobility are the immovable ideas of rich-country citizens, and this contrast between economic forces and ideas is what has led to the current policy deadlock.

This chapter first presents some estimates of the magnitude of the current flows and stocks of labor mobility to show that the flows are both made much lower and distorted by existing restrictions on migration and labor mobility. The chapter then reports on opinion survey information to document the obvious: that any *increase* in labor mobility or migration is decidedly unpopular in the rich industrial countries. The next two sections review the ideas that support and sustain the restrictions against the movement of persons, first a discussion of the ideas that underpin the moral legitimacy of restrictions and second the “self-interested” arguments against greater labor mobility.

The chapter concludes with an examination of why, in spite of the current resistance to increased labor mobility, this issue should be squarely on the development agenda. This chapter’s review of the eight ideas that together create resistance to increases in movement across borders is not to suggest that it is impossible; rather, this chapter sets the stage for the following chapter, which examines how proposals for development-friendly increases in labor mobility can be made politically feasible. As documented in chapters 1 and 2, the problem is not a lack of economic benefits of labor mobility. There are large potential “gains from trade” from allowing people on both sides of the border to enter into voluntary and mutually beneficial contracts. Because the constraints on labor flows are ideas, not economics, the main challenge is not to generate proposals that produce economic gains (that is easy) but to produce proposals that are politically feasible in rich countries—while remaining development friendly.

The Magnitude and Structure of Current Migration

The five increased pressures for labor mobility have resulted in increasing flows of people across borders. Although the “irresistible forces” are actively resisted by policy, these have not been fully effective. Martin (2004) estimates that just five industrial countries (Canada, Germany, the Netherlands, the United Kingdom, and the United States) spend \$17 billion annually on enforcement and caring for asylum seekers. Though this has obviously not been completely effective in preventing illegal flows, this coercive intervention of industrial-country governments does stop the flows of people across

borders from being enormously higher than they could be with different policies—and distorts what limited movement that exists.

Estimating annual labor flows by type is a difficult exercise. Goldin and Beath (forthcoming) give one set of estimates of the world's flows of people, placed into various categories based on visa/legal category, expected duration of stay, and skill category. Their estimate of the total annual global *flow* of people (excluding tourism and very-short-term visits) is about 11.1 million. Of these, only 3.5 million are “low-skill expatriates.” Moreover, the main recipients of these are not industrial countries but the Gulf States (for example, Saudi Arabia, Kuwait, and the United Arab Emirates) or richer South East Asian countries (for example, Malaysia). The main flows to the industrial countries are high-skill expatriates, permanent settlers at the top end of skill distribution, or asylum seekers and undocumented migrants.

Table 3-1 uses recent data from the Organization for Economic Cooperation and Development (OECD) to produce estimates of the *stock* of the foreign born in OECD countries—dividing people's national origin into people born in developing and rich industrial OECD member countries.² We see that the total stock of people living in the rich industrial countries (unfortunately excluding Germany, whose data are not comparable) is 50 million, or about 7 percent of the population—but this falls to only 5 percent if one excludes the United States, which has more than half this total (28.4 million of the 50 million).

The question arises: “How low is the observed current flow or stock relative to the demand for labor mobility created by the pressures documented in the previous chapters?” The problem is that it is very difficult to answer this question without appearing foolish. That is, if one calculates how much higher labor mobility would be with completely open borders, this leaves one open to ridicule as naive or utopian (or dystopian, depending on one's view). Most policy discussions are “incrementalist” and ask only about the consequences of small(ish) policy changes—as, in chapter 1, the comparison of the gains from the incremental trade liberalization in the Doha round negotiations to the global free movement of labor seem facetious. However, because the current magnitude of migration is a balance of forces that includes coercion, one does want some sense of the magnitude of the total “excess demand” for labor mobility that is being choked off by the exercise of compulsion. Again, this is not to say that the flows “open borders” would produce

2. For these purposes, Mexico and South Korea, which are recent entries into the OECD club, are classified as “non-OECD.”

Table 3-1. *Foreign-Born Population of Rich Industrial OECD Countries from Developing Countries*

Country	Population			Percent of total population	Top five source countries (percent of total)	Top five source countries
	Total population (millions)	from develop- ing countries (millions)	ing countries (millions)			
Australia	18.1	2.2	2.2	12.0	35.2	Vietnam, China, Philippines, India, unknown
Canada	29.6	3.3	3.3	11.2	29.6	China, India, Hong Kong, Philippines, Vietnam
New Zealand	3.6	0.3	0.3	9.0	37.2	Samoa, China, South Africa, Fiji, India
United States	281.4	28.4	28.4	10.1	45.2	Mexico, Philippines, Puerto Rico, India, China
Total— traditional immigration	332.8	34.2	34.2	10.3		
Austria	8.0	0.6	0.6	7.9	54.5	Former Yugoslavia—Serbia and Montenegro, Former Yugoslavia—Bosnia and Herzegovina, Turkey, Romania, Former Yugoslavia—Croatia
Belgium	10.3	0.4	0.4	4.3	45.2	Morocco, Turkey, Congo, Dem. Rep., Former Yugoslavia—Serbia and Montenegro, Algeria
Switzerland	7.3	1.0	1.0	13.1	50.1	Former Yugoslavia—Serbia and Montenegro, Turkey, Former Yugoslavia—Bosnia and Herzegovina, unknown
Denmark	5.4	0.2	0.2	4.5	31.7	Turkey, Iraq, Former Yugoslavia—Bosnia and Herzegov- ina, Lebanon, unknown
Spain	40.8	1.5	1.5	3.7	44.2	Morocco, Ecuador, Colombia, Argentina, Venezuela
Finland	5.2	0.1	0.1	1.7	53.1	Former USSR, Former Yugoslavia—Serbia and Mon- tenegro, Somalia, unknown
France	58.5	3.7	3.7	6.4	20.4	Algeria, Morocco, Tunisia, Turkey, Vietnam

United Kingdom	58.8	3.0	5.1	30.1	India, Pakistan, Bangladesh, Jamaica, South Africa
Greece	10.9	0.9	8.2	65.7	Albania, Turkey, Former USSR, Bulgaria
Ireland	3.9	0.1	2.0	31.7	Nigeria, South Africa, Romania, China, Philippines
Luxembourg	0.4	0.0	5.8	45.3	Former Yugoslavia—Serbia and Montenegro, Cape Verde, United Kingdom, Former Yugoslavia—Bosnia and Herzegovina
Netherlands	16.0	1.2	7.6	48.6	Suriname, Turkey, Indonesia, Morocco, Netherlands Antilles
Norway	4.6	0.2	4.1	26.6	Iraq, Pakistan, Former Yugoslavia—Serbia and Montenegro, Former Yugoslavia—Bosnia and Herzegovina, Vietnam
Portugal	10.4	0.5	4.5	62.8	Angola, Mozambique, Brazil, Cape Verde, Venezuela
Sweden	9.0	0.6	6.7	36.2	Former Yugoslavia—Serbia and Montenegro, Iraq, Former Yugoslavia—Bosnia and Herzegovina, Iran, Turkey
Total, Western Europe	249.4	14.1	5.6		
Japan	127	1.2	1.0	69.6	North Korea, South Korea, China, Brazil, Philippines
Total, rich industrial	709.1	49.5	7.0		
Total, less United States	427.7	21.1	4.9		

Source: Organization for Economic Cooperation and Development (OECD) data. Mexico, Turkey, and South Korea are classified as “developing” even though they are OECD countries. Because the data from Germany were insufficiently comparable, it was excluded.

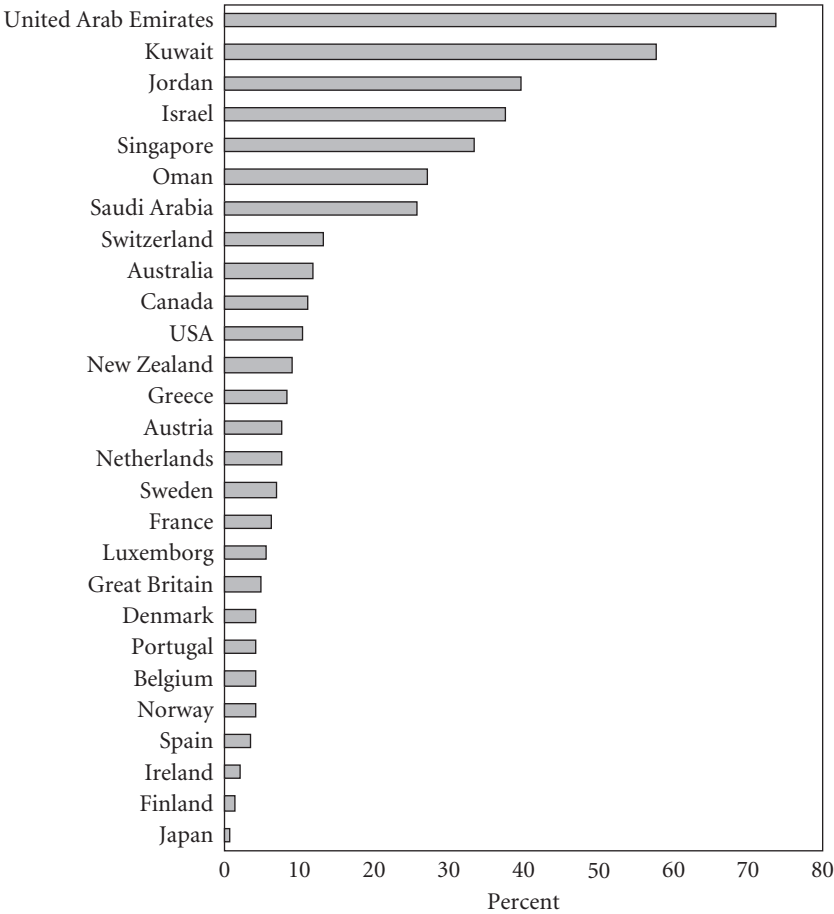
are either desirable or feasible (in fact, the main argument of this chapter is that they are *not* politically feasible). But let me give five illustrations that suggest the irresistible economic forces documented in chapters 1 and 2 would produce, if unchecked, a cross-national labor mobility factor several multiples higher than the presently observed flows.

First, there are rich countries that, for a variety of reasons, do have enormously larger stocks of the foreign born than the rich industrial countries. The Gulf States, some city states (for example, Singapore), and Israel all have fractions of the foreign born that are above a quarter of their population. As a way of illustrating excess demand for labor movement, certainly the rich countries—if they chose to allow it—could attract enough immigrants to match the same fraction of the foreign born as Saudi Arabia. This would imply more than tripling the developing-country-born populations in the OECD from 49 million to 183 million. Similarly, it is hard to believe that OECD countries like France and Canada could not, if they chose, attract the same fraction of migrants as Singapore—which would imply almost *quintupling* the stock from 49 million to about 240 million. Of course, these are underestimates, because Saudi Arabia and Singapore do not have “open borders” or allow foreigners access to their labor market, but rather strictly limit work opportunities (more on this point below) (figure 3-1).

A second crude calculation of excess demand is to compare current *out-migration* rates to those in the first historical period of globalization. Thus, Goldin and Beath (forthcoming) estimate that about 8.5 million people move each year (excluding “students,” “visa-free migrants,” and “high-skill expatriates” from the total) as a crude (over)estimate of the total population movement from developing countries. This suggests that only 1.6 people *per thousand* move across borders in any given year. As chapter 1 documented, nearly all the economic pressures for mobility were *lower* in the first globalization period (1870–1910), but barriers were absent between immigrant-sending European countries and -receiving countries. How do current net out-migration rates compare with the flows out of sending European countries in the first period of globalization? During the first stage of globalization, 1870 to 1910, migration rates from European sending countries were much higher—3.2 per 1,000 in Denmark, 5 in Sweden, 8.5 in Italy, and more than 13 in Ireland. Even in what was then the world’s leading economy, the United Kingdom, the net emigration rate was 2.7 per 1,000.

If one were to extrapolate these historical rates to the developing world, they would result in annual flows ranging from twice as high (at Denmark’s rate) to five times as high (at Italy’s rate) to more than eight times as high if

Figure 3-1. *The Foreign-Born Population as a Proportion of the Total Population*



Sources: OECD 2004; UN Department of Economic and Social Affairs 2002.

the developing world on average had the out-migration rates observed in Ireland (table 3-2). This is not to say that these rates are “feasible,” because at Italy’s historical out-migration rate, this would imply annual *flows* of 45 million, which is nearly equal to the entire *stock* of developing-country foreign-born people in rich industrial countries today (49 million). This just illustrates that labor mobility is likely lower than it could be by a factor of between two and five, because it is constrained by host-country policies.

Table 3-2. *Emigration Rates from the Developing World Compared with Flows from European Countries in the Late Nineteenth Century^a*

<i>Hypothetical annual flow if the developing world had same emigration rate as the historical flow of</i>	<i>Millions of people</i>	<i>Historical flows, per thousand 1870–1910</i>
United Kingdom	14.0	2.67
Denmark	16.8	3.20
Sweden	26.1	4.99
Norway	32.7	6.24
Italy	44.7	8.54
Ireland	69.9	13.35

Sources: Goldin and Beath forthcoming (estimates of current flow) and table 1-3 (historical net emigration rates).

a. The estimated current flow of developing-world emigrants is 8.5 million, with 1.62 emigrants per 1,000 population.

Third, there is something of an interesting “natural experiment” in the Caribbean region, for some islands became independent countries while others did not. Residents of Puerto Rico or the U.S. Virgin Islands are U.S. citizens and hence can freely move to the United States. Similarly, residents of the Netherlands Antilles can freely move to the Netherlands. Though obviously one does not want to extrapolate from small Caribbean islands to world migration, there are other nearby countries—often with a similar history, economy, and language—that are independent countries and hence face restricted immigration. If one compares the figures, one finds the obvious: that the ratio of the population in the United States or the Netherlands compared with the population resident on the islands is very high—52 percent for the U.S. Virgin Islands, 37 percent for Puerto Rico and the Netherlands Antilles—when mobility is unconstrained. This is true even though (no doubt in part due to migration) the ratio of gross domestic product (GDP) per capita is about 40 percent that of the larger country. In contrast, Dominicans in the United States are only 7.8 percent of those resident in the Dominican Republic—even though GDP per capita is only 16 percent as high as that of the United States. Haiti (granted, with a different history, languages, cultural ties, and so on) only has 5.3 percent as many Haitians living in the United States as resident in Haiti, while GDP per capita is only 4 percent that of the United States (and has

Table 3-3. *Territories' Fraction of the Population in the "Home" Country Compared with That in Independent Countries*

<i>Country or territory</i>	<i>Resident population (thousands)</i>	<i>Foreign born in United States^a</i>	<i>Single destination country/ resident population (percent)</i>	<i>GDP per capita (percent)</i>	<i>Ratio (percent)</i>
Puerto Rico	3,917	1,440	36.8	17,700	44.1
Netherlands Antilles	220	83	37.7	11,400	38.6
Virgin Islands	109	57	52.5	17,200	42.9
Dominican Republic	8,950	701	7.8	6,300	15.7
Haiti	8,122	427	5.3	1,500	3.7
Jamaica	2,732	568	20.8	4,100	10.2

Sources: Organization for Economic Cooperation and Development data for foreign born in the United States or Netherlands. *CIA Factbook* for populations and purchasing power parity gross domestic product (GDP) per capita for territories and countries.

a. Or Netherlands for Netherlands Antilles.

few immediate prospects for improvement). It is difficult to believe that if there were freer migration these emigration ratios would not look much more similar across the Caribbean countries (table 3-3).³

Fourth, beginning in 1995, the United States legislated a "diversity visa" lottery for permanent residency. In the past five years, more than 10 million people a year have applied for the 50,000 available visas. Interestingly, only about half the winners actually use the visa (conditions demand that the winner move to the United States almost immediately). But with that uptake rate, this suggests that, in any given year, at least 5 million people are willing to move to the United States immediately. Because they are allowed to bring families, this may imply an "excess demand" from 5 million (no families) to 20 million (average of four per family) people *per year*, and this just to the United States. The upper number is approximately *twice* as large as the total flow from developing countries to *all* countries for *all* reasons (8.5 million). I suspect that the United States is not a uniquely attractive country and that a similar program in France, Sweden, Germany, or Australia would reveal sim-

3. It is also interesting to note that even with free labor mobility (education adjusted) wage gaps do not close entirely. This is consistent with a view that there are many factors entering into locational decisions other than pure wage gaps and that many people prefer to live where they were born and raised, near their extended family, and the like.

ilarly large “excess demand” for residency. If we take 20 million and scale up by the U.S. share of industrial-country population (on the crude, but perhaps accurate, assumption that all OECD countries are equally attractive), then the “revealed demand” of people willing to move immediately for an offer of permanent residence in an OECD country is 50 million a year—at least five times the annual flow and equal to the total current stock of developing-country population in OECD countries.⁴

Fifth, the World Bank’s *World Development Report* on youth (World Bank 2006) commissioned a survey that asked young people (age fifteen to twenty-four years) the question “If it were possible for you legally to move to another country to work, would you?” Compared with the numbers on actual migration (which are on the order of 2 to 3 per 1,000 population) the numbers are astounding. The answer options were “not move,” “try it out,” “move temporarily,” and “move permanently.” Taking just the firmly expressed desire (that is, leaving out “try it out”), the survey suggests that 73 percent of Bangladeshi males, 69 percent of Romanian males, 64 percent of Albanian males, and 67 percent of Tajik males would like to move to work in another country. Even in Malaysia, which is both middle income and growing rapidly, 20.6 percent of young men would like to move to work.

Sixth, if one still doubted that there was a huge “excess demand” for access to the labor markets of rich countries, the media are increasingly reporting stories of the harrowing, and often tragic, risks that people are willing to take to enter rich countries. Because legal entry is restricted to levels far below the demand for entry at existing gaps in earnings, people are willing to undertake journeys of great physical hardship, danger, and risk just for the chance of employment in a rich-country labor market. Any suggestion that—because of cultural differences, family ties, or the attraction of the familiar—people do not really want to move and that these wage gaps do not create enormous pressures for workers to move is belied by the day-to-day reality of risk, hardship, and danger at the borders.

Legal barriers to labor mobility do more than reduce the totals; they also distort labor flows in a range of undesirable ways. When an otherwise ordinary transaction is made illegal, it creates an opportunity for criminal elements to become involved. For instance, when Prohibition in the United States made alcoholic drinks illegal, it created space for organized crime to dominate the trade in alcoholic beverages. When movement of people is made illegal, then criminal elements become involved, and those who move

4. Although this crude calculation may overstate the total demand, permanent residence in the United States and in other OECD countries are close substitutes.

often leave themselves at their mercy. Moreover, the whole otherwise ordinary process of people moving to seek out their best opportunity becomes tainted with illegality—perfectly ordinary job placement processes are called “labor smuggling.” Moreover, because they are illegal, the workers themselves suffer because they feel they have little or no recourse and hence are abused by employers and intermediaries. But just as organized crime has intrinsically nothing to do with having a cocktail, these are not features of labor movements across national borders; these abuses and criminality are *not* intrinsic to cross-border labor flows but rather are the side effects of making these movements illegal.

One hesitates to belabor the obvious, but it is important to explode any reassuring myths that attempt to cover the fact that enormous pent-up pressures for labor mobility are held in check by coercion, plain and simple. This is not to deny that there are powerful forces keeping people in place, because people have many noneconomic motivations—family, history, language, culture, traditions, a sense of social belonging. No one is suggesting that people, by and large, would not prefer to stay in their “home” location—they do. The high emigration rate of Sweden in the age of unlimited migration was 5 per 1,000 population. Nor is anyone suggesting that all or most labor mobility is intended as permanent migration. But tens of millions of people would be willing to take advantage of the opportunity to work in a rich country—even if only under stringent conditions that did not give them either access to the “labor market” of the host country or hope of acquiring citizenship.

Increased Migration Is Unpopular in Industrial Countries

The International Social Survey Program asked people in many different countries around the world if they were in favor of or against higher levels of immigration. Table 3-4 reports the results in four regions: migration-receiving Western Europe, Japan, traditional migration-receiving countries, and traditional migration-sending countries. Though these data are dated, they are the best cross-nationally comparable data available.

In Western Europe, proposals to increase levels of immigration were dramatically unpopular. The proportion of the population that favored *reducing* immigration was more than three-quarters in Germany and Italy, and more than 60 percent in the United Kingdom, the Netherlands, Sweden, and Norway. Moreover, nearly all those who do not want migration reduced want it to remain the same. In no country in receiving Western Europe was the support for *any* increase in immigration (either “a little” or “a lot”) higher than 10 percent. In Japan, a country where migration had

Table 3-4. *Public Views on Immigration*

<i>Country or region</i>	<i>“Should immigration . . .” (percentages of those expressing an opinion)</i>			
	<i>Be reduced either “a lot” or “a little”</i>	<i>Remain the same</i>	<i>Increase either “a lot” or “a little”^a</i>	<i>Fraction saying “let anyone come”^b</i>
<i>Receiving Western Europe</i>				
West Germany	77.58	19.62	2.82	13.8
Italy	75.6	20.84	3.55	
Austria	56.14	39.92	3.96	
United Kingdom	68.22	27.65	4.12	
Netherlands	61.51	33.02	5.47	
Sweden	69.77	23.52	6.71	8.4
Norway	63.2	29.37	7.43	4.9
Spain	40.07	51.48	8.44	14.6
Japan	42.27	42.06	15.68	4.2
<i>Traditional recipient countries</i>				
United States	65.78	26.17	8.05	5.1
New Zealand	62.62	25.78	11.58	
Canada	42.07	37.33	20.61	
<i>Traditional sending countries</i>				
Ireland	21.62	59.27	19.1	
Philippines	61.74	26.8	11.47	

Source: Mayda 2002, based on International Social Survey Program, national identity module, 1995.

a. Sorted in ascending order by fraction in favor of “increasing” within regions.

b. From World Values Survey data on “open borders.”

been quite low, almost 16 percent of the population favored some increase in immigration—but even there, almost three times as many wanted immigration reduced.

In the United States and New Zealand, countries that were populated primarily by migration, opposition to increases in migration was also widespread. Of course, this is the context of the fact that actual immigration was increasing, a point we return to below. Of all the industrial countries, Canada emerges as the most favorably disposed to increased immigration. This means that in Canada *one in five* people favored increasing migration and only 42 percent favored reducing migration. So, at least in this particular survey as of 1995, in the industrial country that was the most “migrant friendly,”

“only” twice as many people wanted to *reduce* the level of migration as wanted it increased.

It is not as if those in favor of reducing migration are counterbalanced by a large group that opposes restrictions on immigration and wants increased mobility. In nearly every instance, those who want reductions in migration outnumber those who want it by ten to one. The World Values Survey reports that only a tiny fraction of the population (between 4 and 14 percent) agreed with the statement that their country should “let anyone come” (see table 3-5 below).

Not surprisingly, the views of governments reflect the views of the voters. In the UN *International Migration Report 2002* (UN Department of Economic and Social Affairs 2002), the policy stances of governments were reviewed. Of forty-eight “more developed” country governments, only two thought the level of immigration was “too low,” while fourteen thought it was “too high” and thirty-two satisfactory. Of these same forty-eight “more developed” countries, twenty-one reported undertaking policies to lower immigration while again only two had policies to raise the level of immigration.

Of course, some of the opposition to increased immigration is a response to the fact that there were large *increases* in immigration in many countries in

Table 3-5. *Support for Aid to Immigrants’ Home Countries in Countries Where Immigration Is Opposed*

<i>Country</i>	<i>Fraction “in favor” of aid</i>	<i>Fraction saying “too little” effort for poverty in less developed countries</i>	<i>Fraction saying “let anyone come”</i>
West Germany	83.0	65.2	13.8
Spain	85.1	64.9	14.6
United States	55.5	62.4	5.1
Japan	90.4	42.8	4.2
Australia	74.7	63.5	4.6
Norway	81.6	51.6	4.9
Sweden	83.9	51.6	8.4

Source: World Values Survey, third wave (1995–97). For column 1, “Some people favor, and others are against, having this country provide economic aid to poorer countries. Are you personally . . .” the options were “very much for,” “for to some extent,” “somewhat against,” and “very much against,” and were reported as either “very much” or “to some extent” for. Column 2, “In some economically less developed countries, many people are living in poverty. Do you think that what the other countries of the world are doing to help them is about right, too much or too little?” was reported as “too little.” Column 3, “How about people from other countries coming here to work? Which of the following do you think the government should do?” was reported as “Let anyone come who wants to.”

the 1990s—although from a very low base.⁵ That is, in spite of the general unpopularity of movements of labor and population, they are occurring and increasing. But because ideas are the key constraint to more development-friendly policies toward labor mobility, the key issue is not demonstrating the potential gains to movers but designing policies that reflect the generation of new ideas for alleviating the *political* constraints.

However, understanding these political constraints created by ideas requires examining the ideas that sustain opposition to labor mobility in the rich industrial countries. As an economist, I have my choice of two very distinguished economists on the role of ideas. John Maynard Keynes's view was that, in the long run, ideas were much more influential than interests, and hence ideas could be autonomous from interests. And as an economist, I am also naturally sympathetic to arguments by that most famous of economists, Karl Marx. Perhaps his idea that in the long run has proved most influential—and most corrosive—is the argument that ideas themselves are a mere “superstructure” masking the true underlying economic interests of the powerful. This idea, with its literary and quasi-philosophical heirs in “deconstruction,” has helped convince many in modern academia that conventional moral discourses are really attempts to construct social realities that justify (in part by masking) the exercise of domination. Interestingly, as we will see, many of the ideas that remain “undeconstructed” are those that justify restrictions on migration.

Here I examine both strains of argument. The next section begins with a more Keynesian approach to ideas and examines the notions that support the *moral legitimacy* of restrictions on labor mobility. A subsection below examines the self-interested arguments in the receiving countries (with the possibility, of course, that Marx and his noneconomist intellectual heirs are right and that economics is all that matters). In both sections, there are two inter-related questions. The first is why labor mobility is so unpopular in the citizenry at large. The second is why there are no strong advocacy groups attempting to change people's minds about their opposition. In particular, and of most concern to me as a development economist: Why are people who are concerned about global social justice and improving the lot of the world's poor not a pow-

5. Though it is very hard to be up to date on general opinions, it does not appear the attitudes toward immigration were getting better in the United States before the September 11, 2001, terrorist attacks, and this seems to have made matters worse. From 1992 to 1996, the fraction wanting immigration reduced rose from only 48.8 to 57.6 percent. In the aftermath of 9/11, there was an understandable backlash against “lax” control of the borders. In the aftermath, it was reported that almost two-thirds of Americans were in favor of halting *all entry of any kind* from countries suspected of harboring terrorists. But even the quite recent Gallup Poll in July 2003 reported that attitudes toward immigration in general are more negative than before 9/11.

erful advocacy group for greater labor mobility? These questions are related, because there is some possibility that if there were more effective advocacy, then perhaps ideas in the general population could be changed. But this will mean the discussion will veer a bit from “immovable ideas” persuasive to the general public (for example, the risk of terrorism) to ideas that appeal to narrower groups (for example, the impact on development).

“Moral” Arguments That Justify Restricting Borders

I want to begin with what might be phrased as the “moral support” for anti-mobility attitudes. I am not asserting that the ideas presented below are the *cause* of anti-labor-mobility beliefs, but I do make the conjecture that most people prefer to believe that their political and policy stances are not immoral, unfair, or unjust. In this section, I do not ask why people would prefer that people not cross national borders, but rather why people feel that it is *morally legitimate* to impose that preference. Why is it that people feel morally justified to use coercion to prevent people from crossing their national border to pursue voluntary economic transactions? And not only is that the prevalent attitude, but there is no truly significant agitation against that view from the development community. Addressing this question does not mean that the choices are “open borders” as a utopian “globally just” position versus the status quo; no policy issue is ever really decided exclusively on those grounds. The question is not the completely naive, disingenuous question of why “justice” is not the determinative consideration, but why these considerations have essentially *no* traction in current policy debates.

As an analogy, many people would prefer that the other people around them believe as they do in matters of religion (or, more broadly, culture). For millennia, when it was thought morally legitimate to use coercion to achieve that preference, the historical norms were forced conversions, forced suppression of alternative expressions of religious sentiment, and forced expulsions. In the modern world, although many people still have the same preference that others share their metaphysical views, it is no longer considered morally legitimate to use nation-state power and coercion to impose that preference. Why is it that the same broadening of views has not extended to allowing people born in other political jurisdictions to enter for economic reasons?

One possibility is that people in rich countries just do not care; they are completely morally indifferent to the fate of those outside their own borders. In general, this does not appear to be true, for one is able to generate substantial support in industrial countries for efforts to reduce global poverty through official aid, voluntary activities, and political activism. The total amount of official development assistance has hovered between \$50 billion and

\$60 billion and is again on the increase. This is not a particularly impressive total when measured as a fraction of rich-country income, but it does indicate some modest sense of moral concern. In fact, the fraction who report support for “economic aid to poorer countries” is more than three-quarters of the population in every industrial country (with the exception of the United States). In every industrial country (except Japan), a majority report that “too little” is being done to fight poverty in poor countries (table 3-5).

So the question is not why there is a complete lack of moral concern in rich countries; rather, the question is how this concern for global poverty is compatible with the view that it is morally legitimate to use coercion to prevent the entry of workers from poor countries into rich countries. Though global poverty does get attention, there is very near zero moral outrage or mobilization around the issue of increasing labor mobility. Four quick examples suffice. First, the 2005 “Live Eight” concert organized around the Group of Eight meeting at the Gleneagles resort in Scotland had a list—aid, debt cancellation, and improved trade—but no mention of labor moving at all. Second, the recent report of the Commission for Africa (2005), which is a serious and noble attempt to break the logjam on African development, proposed a large number of ideas for improving conditions in Africa—but it lacked an extended discussion of how allowing more labor from Africa is a positive step that rich countries could take. Third, the issue of subsidies to American cotton farmers received significant media and population attention in the context of the Doha round negotiations—explicitly from the “global justice” perspective of the impact on Chadian farmers. But the much more enormous distortion that farmers from Chad have to farm in Chad—and not farm in France, Poland, or Canada—was not mentioned. Fourth and finally, on a personal note, having recently spent four recent years (2000–4) on an East Coast college campus, I can attest that though there were protests against all manner of evils in the world—from conditions for laboratory animals to low wages for the university’s own workers to conditions for workers *in their countries*—to my knowledge there was not a single rally against border controls. I never heard the chants “Hey ho, restrictions on labor mobility have to go” or “What do we

6. Another smaller example: I frequently fly on Lufthansa Airlines, which has a program of encouraging people to donate their spare change or small denominations of currencies they will no longer use to promote development activities as a way of addressing global injustice. In this context, an international flight in which *everyone being solicited is crossing a national border*, it is particularly noticeable that laudable moral concern for global injustice tends to be always channeled in some ways (charitable assistance from “us” to “them”) and not others (letting people move across borders to work).

want? More access of the unskilled to rich-country labor markets! When do we want them? Now!” wafting across the campus.⁶

I believe four ideas underpin the notion of the moral legitimacy of restrictions. First, “nationality” is perceived as a legitimate basis for discrimination; second, there is strong “moral perfectionism”; third, there is a notion that development must be about nation-states, not *nationals*; and fourth, a set of ideas supports the notion that labor mobility is not necessary for prosperity. Two intertwined themes are addressed for each of these four ideas. The first is a positive assertion that these beliefs exist and underpin the legitimacy of attitudes toward limiting labor flows. The second theme is that (I believe) most of these ideas are, if not wrong, much less solid than the weight they bear demands.

Immovable Idea One: Nationality Is a Morally Legitimate Basis for Discrimination

There is a story that while perhaps apocryphal is nonetheless instructive. During its waning days, the international condemnation of South Africa’s apartheid was intense in the United States. Protesters in the United States felt that it was morally intolerable that, in this day and age, a system would be maintained that sharply limited the mobility of people, that kept people in disadvantaged regions with no economic opportunities, that destined millions to lives without hope, and that split workers and their families—merely because of the conditions of their birth. A prominent antiapartheid activist was invited to come and give a series of lectures in the United States against the evils of apartheid in South Africa. But the trip was canceled because she could not get a visa to enter the United States.

It is said that fish do not know they are swimming in water.⁷ The analogy between apartheid and restrictions on labor mobility is almost exact. People are not allowed to live and work where they please. Rather, some are only allowed to live in places where earning opportunities are scarce. Workers often have to travel long distances and often live far from their families to obtain work. The restrictions about who can work where are based on conditions of birth, not on any notion of individual effort or merit. The current international system of restrictions on labor mobility enforces gaps in living standards across people that are large or larger than any in apartheid South Africa. It is even true that labor restrictions in nearly every case explicitly work to disadvantage people of “color” against those of European descent.

The obvious response is that with apartheid people of the *same* nation-state were treated differently while the apartheid of international barriers to mobil-

7. Of course, they do not know much of anything else either.

ity is treating people of *different* nation-states differently. People subject to the same laws should be treated the same based on conditions of birth. The fact that people are, by whimsy of birth, allocated to different nation-states and hence treated differently has no moral traction. In nearly all modern theories of justice and ethical systems, most conditions of birth—one's sex, race, and ethnicity—are excluded as morally legitimate reasons for differences in well-being, and yet discrimination on the basis of nationality is allowed.

The case of sex is instructive. Tremendous attention is given to differences in schooling between boys and girls, in part because these are thought to be the result of morally illegitimate discrimination. Yet the differences in educational attainment between boys and girls *within* a poor country are often *an order of magnitude* smaller than those between boys in the poor country and girls in rich countries. For instance, in India, a country widely known for having a severe gender bias in schooling, the fraction of boys age fifteen to nineteen years in a survey in 1998–99 who reported completing at least grade nine was 44 percent, while among girls this fraction was only 33.5 percent—a shocking and, to many people, morally outrageous 10.5-percentage-point sex gap. But in nearly every OECD country, essentially 100 percent of girls complete at least grade nine—so the gap between rich-country girls and Indian boys is 56 percentage points.

Amartya Sen has popularized the notion of “missing women” in Asia due to differential death rates and (increasingly) sex-selective abortion. Because the child mortality rate in India is about 100 per 1,000 while it is 8 per 1,000 in the United States, this implies that 92 per 1,000 more Indian children than U.S. children die before age five. This means there are 2.2 *million* missing Indian children *each year*. However, while the “missing women” is a standard refrain, I have never heard the term “missing Indians” to describe the results of the child mortality differentials between the rich world and India.⁸

This is not to say that the problem of sex discrimination is not a serious global issue of unfairness. But what gives the sex comparisons such greater traction in the public mind—particularly in rich countries and in the development community—than the differences by nationality? Presumably, there is some sense that differences in well-being between the sexes within a country are “unfair” in a way that the massively larger measured differences in well-being across countries are fair. An Indian girl not having life chances equal to those of an Indian boy is widely regarded as morally unacceptable,

8. Almost as a perfect *reductio ad absurdum*, Nicolas Kristof in the *New York Times* has compared the low mortality rates in the United States to the even lower mortality rates in Singapore to discuss the issue of less than 20,000 missing Americans—with no mention of the issue that is smaller by orders of magnitude than the “missing” people in any poor country.

while preventing an Indian girl (or Pakistani, Bolivian, or Egyptian girl—or her parents) from moving across national borders to have the same life chances as a German boy (or U.S., French, or Japanese boy) is considered morally acceptable.

Carens (1987) makes a persuasive case that the natural extension of the currently “best” theory of liberal moral philosophy—Rawls’s (1970) contractarian notion of social justice as condition that would be agreed to behind a veil of ignorance—would imply an ethical obligation for open borders.⁹ In the Rawlsian view, sex discrimination is unjust or unfair because, not knowing if they would be born male or female, people would not agree to a social contract that produced a female disadvantage. But behind a “veil of ignorance,” who would agree to a system in which some people are born in Niger (or choose any poor country) and some in Switzerland (or choose any OECD country) and those born in Switzerland are entitled to use coercion to prevent those born in Niger from enjoying life chances equal to those born in Switzerland? But the appeal of nationality as a legitimate category of discrimination is so powerful that philosophers are not sure whether this line of argument is a case for open borders or a *reductio ad absurdum* of the theory itself,¹⁰ because any ethical theory that implied open borders was a moral necessity must be flawed.¹¹

9. Interestingly, Nussbaum (2006) takes up the issue that the Rawlsian theory is not well suited to dealing with “nationality” as an issue. She proposes extending the “capabilities” approach to justice to the problem. In the end, her analysis ducks the issue of migration fully because her ten principles of a just world order provide generalities like “the main structures of the global economic order must be designed to be fair to the poor and developing countries” but then discuss minor issues in trade while ignoring the issue of labor mobility entirely.

10. In fact, Rawls himself argued that his “contractarian” constructions of justice applied only to existing nations. My understanding is that his quite coherent and plausible view is that no “natural extension” answers that question. This does not imply that border restrictions are morally just; it argues that the justice of border restrictions cannot be addressed.

11. There are other streams of thought about foundations for justice, such as “communitarian” positions that I do not discuss. In fact, I have a great deal of sympathy with a communitarian notion of justice that parallels Jürgen Habermas’s approach to truth: A value moral system is whatever emerges from an continued, uncoerced dialogue about values within a community of practice. However, the one question such a notion of justice cannot address is the justice of physical exclusion from the “community.” If the community is smaller than the nation-state, I would imagine that most nations would prevent communities from enforcing physical exclusion of others on “values” grounds—in fact, segregation was justified on precisely this “communitarian” grounds. If the “community” relevant for establishing a notion of justice coincides with the nation-state, this is a disaster. One can think of a long list of historical instances in which protecting the “community” and its beliefs led to physical exclusion (or expulsion)—but none of them positive. Though communitarian theories of justice are powerful and convincing on many grounds, I do not believe they can be relevant for this particular question.

The idea of “nations” that legitimates border restrictions is socially constructed or is an “imagined community” (Anderson 1991). That scholars have a hard time even defining what a nation is (Gellner 1983) makes the idea no less powerful. Nationalism and the distinct but related nation-statism retain a powerful hold on the international system—even *are* the system. Moreover, the idea of a nation has broad and wide popular appeal. People take it for granted that nationality is a morally legitimate criterion for differential treatment of people. But having a powerful hold on the popular imagination is not immutable—religion, race, sex, and ethnicity were considered legitimate grounds for discrimination for thousands of years.

Immovable Idea Two: Moral Perfectionism Based on “Proximity”

As seen in figure 3-1, there is a set of countries that have very high ratios of foreign-born workers to domestic population. The oil-rich Gulf States and Singapore have ratios of foreign-born to total population an *order of magnitude* higher than the similar ratios for many OECD countries. The UN *International Migration Report* explains that among the countries with the highest percentages of international migrant stock are the United Arab Emirates (73.8), Kuwait (57.9), Singapore (33.6), Oman (26.9), and Saudi Arabia (25.8).¹² These are compared in figure 3-1 with the ratios of the non-OECD-born population to total population in OECD countries (this eliminates, for instance, French or German populations in Switzerland or the United Kingdom—born population in Australia). Because our focus is on the mobility of unskilled labor, this better reflects the “labor absorption” of the economy. The highest-ranking OECD countries are Canada, Australia, and New Zealand, with about 10 percent of their populations born in non-OECD countries; the United States has 7.2 percent, the European average is 4.5 percent, and Japan has only 0.5 percent.

The countries with the highest ratios of foreign-born workers have created clear legal distinctions between “citizens” and “noncitizens,” such that workers in these countries are explicitly not “migrants” with any expectation of achieving citizenship; nor do these workers have access to local labor markets but rather are licensed and regulated workers who are physically present to work. It is also the case that none of these countries is yet considered a fully functional democracy—and not only in the sense of denying these visiting workers political participation.

A common reaction to figure 3-1 is that these Gulf States are able to maintain these high foreign-born ratios because as nondemocracies they have less

12. Also among countries with high ratios of the foreign born are Jordan (39.6) and Israel (37.4).

regard for “human rights” than the OECD democracies. It is the case that these levels of distinctions between residents of the same country would be extraordinarily difficult to manage in more “democratic” countries. But this is not because democracies have more concern for a *generalized* notion of *human* rights that extends to all humans. After all, nearly all people who move to work in high-immigration countries do so willingly and nearly all those who stay do so willingly. There are long queues for admittance into these countries, even on the terms they dictate. By revealed preference, people are better off in Saudi Arabia, Kuwait, or Singapore than their alternatives.

What appears to distinguish countries that can tolerate very high levels of labor mobility from countries with low labor mobility is *not* that citizens of one or the other are *uniformly* more concerned about the well-being of non-citizens in the rest of the world. The difference is that the level of concern about the well-being of other citizens in countries with high labor mobility appears to be less connected with physical proximity than in the OECD democracies. That is, imagine a two-stage process in which, *first*, citizens of a country set the minimal well-being that will be tolerated among noncitizens living inside the borders of their country and then, *second*, these same citizens vote to decide the number of noncitizens to be allowed to enter their country. One can easily imagine that setting the first standard very high will lead to a low number allowed in during the second stage (because it is both more fiscally costly to society and a high cost to potential employers), while setting the standard low will lead to larger numbers.

It is perfectly plausible that setting a high standard for how people must be treated if they were to be allowed inside the borders makes people outside the borders much *worse off* because they are then not allowed in. Perhaps counter to one’s intuition, if people in rich countries cared only about the *absolute* level of well-being of residents of poor countries—irrespective of where they were—these poor-country residents would be better off than if they care about them a great deal, but only when they are present in the rich country. Crudely put, most people in most industrial countries think that tolerating excessive differential treatment of people within their national boundaries is “immoral” but have few qualms about the suffering of people outside their boundaries—and think it acceptable to force people to stay outside. The level of deprivation of people in Haiti causes almost no direct concern in the United States. But if a Haitian manages to reach the United States, his or her very physical presence on U.S. territory creates an enormous set of obligations and political concern.

One of the intriguing features of the recent evolution of ideas is that it has become beyond the pale to think it is morally legitimate to discriminate against

human beings because of the conditions of their birth—except for nationality. At the same time, concern for animals has been increasing. This leads to the obvious conclusion that close animals deserve greater moral consideration than distant human beings. Just as one example, in a recent review in the *New York Times Book Review*, Michael Ruse, a philosopher self-described as a left-leaning academic, lays out this argument quite clearly: “Personally I have a much closer relationship with my ferret than with the citizens of Outer Mongolia. Why should my actions benefit Outer Mongolians rather than my ferrets?”¹³ He then goes on to say that perhaps his actions should benefit other human beings rather than his ferrets—but that an argument needs to be made. Imagine if the same author had used any other condition of birth. If a heterosexual white Anglo-Saxon Protestant were to pose the question “Why should my actions benefit a gay person or a woman or a Jew rather than my ferrets?”—even suggesting that such a claim needs defense would be unthinkable, scandalous. But curiously, being born in Outer Mongolia puts other human beings (who are physically distant) plausibly lower in the moral order of concern than a ferret that is nearby.¹⁴

Hence, an important idea supporting restrictions on labor mobility is the idea that while people are outside borders there is *no* ethical obligation at all, whereas if people are physically inside the borders they have to be treated (nearly) *equally*. Note that this is not a *universal* concern for human welfare—and in fact people from poor countries are plausibly *worse off* when the tolerated differences inside countries are *smaller*. Border controls are the use of coercion to prevent others from acquiring any of our moral concern or ethical obligation through physical proximity. Border controls keep the “Outer Mongolian” in “Outer Mongolia,” in part just so that these distant human beings can be of less moral concern than close ferrets.

A common response to the idea that not all people allowed to enter a country to work would necessarily be entitled to all privileges of citizens is: “Who wants to live in the ‘kind of country’ where people are not treated equally?” But the fact is that we do live in a world of vast inequalities. The rich world is comfortable purchasing products from people who make very low wages—why not purchase services from the same people at the same wages? Even more telling, people from rich countries travel as tourists and receive services from people making very low wages. So there is no consistent objection of

13. This is in his review of *Human Nature* by James Trefil, July 4, 2004.

14. A recent book by the philosopher Martha Nussbaum treats three issues she believes create problems for the existing theories of justice: disability, nationality, and species membership. Again, how justice applies to non-nationals and how it applies to dogs or deer are treated as similarly important problems.

rich-country citizens to buying goods and services from people who make very low wages.¹⁵ The objection is to doing so while the people are physically present in their country, which is extremely odd as a moral justification—particularly when the people would be present voluntarily. This is a truly selfish altruism because it uses restrictions to keep poor people out of one's geographic, and hence moral, vision.¹⁶

I conjecture that the twin ideas of the legitimacy of discrimination based on nationality and moral perfectionism based on proximity combine to produce in many people's minds the puzzling view that it is morally acceptable to use coercion to enforce an involuntary arrangement while a mutually voluntary arrangement would be morally unacceptable. That is, it is seen as perfectly morally legitimate as a nation to say "You may not enter my country to work and we will use physical coercion and its dangers to prevent you from doing so." This is not an idle threat—according to some sources, more Mexicans have died crossing the U.S. border in the past three years than convicts have been executed under the death penalty since its reintroduction in 1976. But somehow it is not seen as morally legitimate to make the offer: "You may enter this country, but on the following conditions that imply you voluntarily forgo, as part of the agreement to enter the country, certain benefits (but not all; basic rights are to be respected) to which citizens are entitled." The rejoinder to the "kind of country" objection is: "Who wants to live in the kind of country that uses coercion to perpetuate global inequality?"

I am conscious that this is standing the conventional wisdom for many who work on migration on its head. For instance, in a masterful survey of the theory and empirics of migration, Massey and others (1999) discuss the "Gulf system" of migration in unambiguously morally disapproving terms: "Nations of the Gulf thus sponsor strict labor migration regimes designed to maximize

15. The fact that only some people are willing to pay even a small premium for "fair trade" products is not a counterargument but only reveals how truly marginal this concern for low wages is.

16. There might be an argument that well-being is a relative concept, and hence that one is being altruistic by not allowing people to enter a country on unequal terms because they would feel bad if they were in a rich country because their self-assessed well-being would be lower because they are living near wealthier people. I personally have no patience with these types of "poor but happy" arguments. First, only voluntary arrangements that would allow, but not compel, mobility are discussed—the only nonpaternalistic way to decide how much the "relative" matters is to make the offer and let potential movers decide. Second, though certainly there is an important "relative" notion, it is to a "reference group" that may or may not be primarily determined by physical proximity—I conjecture Bangladeshis who work in the Gulf compare themselves to friends, relatives, and neighbors in their home country, not to emirs. Third, this same argument would suggest even stricter separation of people by economic status within a country.

the economic potential of the migrants as workers but to minimize their social participation as human beings" (p. 136). They argue that these "draconian" policies and shifts in nationality are designed so that "migrants can be more effectively exploited through policies of deliberate discrimination." But this view ignores the fact that moves to these labor markets on the explicit terms and conditions the countries set is an entirely voluntary choice of the migrants (with of course some exceptions), that millions of other Arabs and South Asians have benefited from access to these countries to provide labor on these terms, who otherwise would have faced even more difficult conditions, "exploitation" if you will, in their home-country labor markets. What could be more acknowledging of someone's status as a "human being" than to offer them a clear choice and allow them to make it? Perhaps unlike many other Americans, I have lived as an adult in Argentina, Indonesia, and India for two years each. In none of those countries could I vote, my presence was related to occupation, I did not have entitlements to social programs, the duration of my stay was strictly limited, and I had no path to citizenship. To say that I was therefore treated as less of a "human being" compared with the alternative of simply denying me entry into those countries is certainly not how I felt.

There is no question that this raises difficult issues that need to be discussed in a democracy. It is difficult to even put on the table for domestic policy consideration the fact that the apparently principled and "progressive" stance—"We will only allow people to work in our country who we also fully entitle with all the privileges of citizenship (or at least place on the path to such citizenship)"—can work to the massive *disadvantage* of poor people around the globe. The United States deals with this issue through massive cognitive dissonance and implicitly tolerating "undocumented" movers—who de facto do come on certain terms. Of course, open borders and "the welfare state" are incompatible with current global inequalities. But there is in fact a range of alternatives. It is very hard, however, to discuss how to balance the interests of maintaining a desirable society and polity as perceived by its current citizens with allowing labor mobility on some terms, mobility that would provide massive benefits to poor people from other countries.

Immovable Idea Three: "Development" Is Exclusively about Nation-States, Not Nationals

In his intriguing and important book *The Anti-Politics Machine*, Ferguson (1994) discusses the absolutely surreal descriptions of the economy of Lesotho in the reports produced by international development agencies. He points out that even though the people producing these reports were intelligent individuals and actually knew the reality of Lesotho, the constraints of the "develop-

ment discourse” forced them into claims about the economy of Lesotho that were factually false, and ludicrously so. He argues that one of the necessary premises of the development discourse is that it must be about the economy of a *nation-state*, not the well-being of *nationals*. This primacy of the nation-state over nationals pervades the development discourse on migration.

This exclusive focus on “development” as the well-being of those who remain within a nation-state allows the reconciliation of the two views popular in the rich industrial countries: that “too little” is being done about poverty, but migration is off the agenda. One can only have the debate whether migration is good or bad for “development” if one construes “development” as synonymous with the well-being of the nationals who remain within the arbitrary borders of the political nation-state where they were born. But, as shown in chapter 1, if the gains to the *nationals* who move are counted as “development” to the country they moved from, then migration *is* development. Another way of putting this is that there is a “global poverty” agenda—improving the well-being of those below some globally accepted threshold (which need not be the penurious “dollar a day” standard; see Pritchett 2006). One could take the view that the “development” agenda was only that part of the global poverty agenda that dealt with improving people’s well-being, provided they remained in a country classified as “developing.” Though perhaps politically expedient, particularly when nation-states are the actors, this view does seem odd. There are two possible ways to reduce global poverty: migration; and increasing people’s wages while in their home country. Why should only one of these ways count as “development”?

The exclusive focus on nation-states, not nationals, is revealed by the fact that while the growth rates of gross *domestic* product have been the subject of thousands and thousands of research papers, and gross national product at least nominally makes an effort to include the observed portion of income of nationals earned abroad, no one really knows much about the level or evolution of *nationals’* incomes or wealth. Take any of a number of small countries that have experienced substantial migrations, like El Salvador. Certainly the growth of the income of Salvadorans during the past thirty years must be massively higher than the growth of the per capita income of those Salvadorans who happen to live today within the borders of El Salvador.¹⁷ Why should only

17. The same is almost certainly true of wealth, a subject that is rarely addressed. Even if only 10 percent of nationals are abroad, because their average wealth can easily be ten times that of those living domestically, the fraction of *wealth* owned by nonresident nationals can be a large fraction of the stock, which can play a key role politically (for example, the financing of social or domestic movements from bases abroad) and economically (for example, much “foreign” direct investment is of nationals).

the latter be counted as “development”? If “development” is about improvements in the well-being of people, then why exactly is location relevant?

A second example of the pervasiveness of the exclusive attention to the nation-state is the discussion of remittances as a “development” issue. There is currently a spate of literature taking the view that migration is good for “development” because it creates remittances. But remittances are only a central phenomenon if one sticks to the view that only what happens inside nation-state borders is important. Take two couples. One couple moves together to the United States, and the wife works; as for the other couple, the wife moves to the United States and the husband remains behind. Suppose in the two situations the total household income is exactly the same. With the separated couple, there are “remittances”—but the couple has to maintain separate households, and hence both actual costs are both higher (and there is the emotional cost of separation); so from a “development as well-being of nationals” view, the split migration is less preferred. But if one takes remittances as proving a connection with “development,” then the split household is better for “development”—even though the people are worse off. Remittances are good almost entirely because they are good for the people earning higher incomes, part of which they remit, and do not need to be justified as a “development” of nation-state impact.¹⁸

The framing of “development” as exclusively about nation-states supports the notion that *preventing* mobility is morally acceptable because migration is itself bad for “development.” In fact, there is even a popular movement to force rich countries to *not* recruit educated workers (such as nurses) from poor countries. Whether or not the movement of educated labor is good or bad for those in the country they move out of (and potentially back to) is a hotly debated question (Commander, Kangasneimi, and Winters 2003). But as a myth for supporting restrictions on migration, imagine the following, exactly symmetric argument: *Capital is good for development, therefore movements of capital out of poorer countries are bad for development, and therefore banks in rich countries should refuse to take deposits or investments from citizens of poor countries.* The day commercial banks refuse to take deposits from

18. The view of “remittances” as extra important because they provide a source of “development finance” also can, if unchecked, hark back to long-discredited “two-gap” models. That is, perhaps remittances are important because foreign exchange is itself a binding constraint on development, which would lead one to compare remittances (a portion of labor income of nationals that happens to cross nation-state borders) with sources of investment or foreign exchange, like official development assistance. There is currently no compelling evidence that remittances are “extra good” for economic growth.

citizens of poor countries, I will also believe that restricting labor mobility is supported by the idea that it is bad for development.

Immovable Idea Four: Labor Movements Are Not “Necessary” (or Desirable) to Raise Living Standards

People in the industrial world do care about the obvious huge and growing gaps in living standards between people in rich and poor countries. The quickest and most obvious way to increase the living standards of people is to allow them to move from where they are to a much richer country. One could be convinced that restrictions on labor movement were morally legitimate in spite of the obviously massive global inequities if one believed that movement across national boundaries was not really “necessary” to alleviate these inequalities. A series of ideas support this notion that labor mobility is unnecessary, but these ideas are either unproven or factually false.

First supporting idea: “Economic ‘convergence’ is a natural economic process,” or “Capital mobility substitutes for labor mobility.” The belief that the income levels of poor countries will “naturally” converge with those of richer countries that lack labor mobility makes it easier to rationalize the legitimacy of barriers to labor mobility because differences are only temporary. That modern economic history is the history of absolute divergence does not seem to deter people from believing in absolute convergence.¹⁹ The first generation of growth models—both Harrod-Domar and Solow-Swan—made capital accumulation the source of economic growth. The cross-national extensions of these models tended to assume that general productivity (often called “A,” as a multiplicative factor that affects the productivity of all inputs) was equalized across countries by diffusion. In these models, if labor was abundant and A was diffused, then the marginal product of additional capital would be high (very high, as pointed out by King and Rebelo 1993), and hence capital would flow from capital-abundant to capital-scarce countries.

However, many researchers today are emphasizing that the main differences in levels of output per capita across countries are not due to capital (particularly as a causal factor; see Klenow and Rodriguez-Clare 1997) but rather

19. This has nothing to do with the recent debate in the economic literature about “conditional convergence,” which was an important way of testing across two broad classes of economic models of growth. But “conditional” convergence is perfectly compatible with unconditional divergence if the “conditioning” variables are themselves diverging—which appears to be the case as both conditional convergence and absolute divergence are present in the data across countries.

are due to differences in the vaguely specified A —the general productivity term. As, for instance, Easterly (2004) has been pointing out, in “productivity world” (countries differ in A) many things are different than in “factor accumulation world” (countries differ in K). In productivity world, there is the possibility that both capital and labor would like to flow from poorer countries (with low A) to richer countries (with high A). Models in which A differs in large part due to differences in institutions—and hence capital mobility per se will not be equalizing—are attracting substantial empirical support (Acemoglu and others 2003; Rodrik, Subramanian, and Trebbi 2002; Easterly and Levine 2002, 2003). In an “all A ” or “institutions rule” view of the determination of nation-state income, convergence is just one possibility.

Second supporting idea: “Trade is a substitute for labor mobility.” In one very restrictive model of trade, under some empirical conditions, free trade in goods between two countries is sufficient for “factor price equalization.” In this sense, trade in goods is a substitute for labor mobility because, with factor price equalization, there is no need for factors such as labor or capital to move. In this sense, trade in goods could be a substitute for movements of factors (including people), and hence reducing trade barriers to imports from country X could be seen as the substitute for allowing people to enter from country X .

However, the idea of factor price convergence as a rationalization of the typical stance that freer trade in goods is desirable but not freer mobility of people does not withstand scrutiny. First, as a theorem, the “factor price equalization” depends, among many other restrictive assumptions, on countries being sufficiently similar in factor endowments, which is an empirical condition that has no a priori reason to be true. Second, if trade were to cause factor price equalization, one would have expected to see more convergence of wages; but, as chapter 1 demonstrated at some length, wages have not been equalized. Third, in more complex models with multiple factors, trade can either be a substitute for or complement of labor mobility—so freer trade might promote *more* labor mobility. O’Rourke and Williamson (1999) present evidence suggesting that when markets for trade, capital, and labor were global in the late nineteenth and early twentieth centuries, freer trade was associated with *greater* flows of labor.

Third supporting idea: Aid is a substitute for migration. In contrast to increased migration, “foreign aid” appears to be quite popular. The third wave of the World Values Survey included questions on support for international foreign aid efforts. Foreign aid is enormously more popular than full labor mobility—for instance, 83 percent of Germans are in favor of aid, and 65 percent think “too little” is being done for poverty, but only 13.8 percent

agree that Germany should “let anyone come”—and, as documented above, most would like migration reduced (table 3-5).

Fourth supporting idea: The world’s poor are not so poor, or “it is all relative.” One of the most pernicious myths is that the middle-class or richer people in poor countries are “really” not so poor. A particularly vicious ploy is to deflect all questions of *global* equity by focusing exclusively on inequality within countries. So there is always a great deal of attention given to the inequalities *within* poor countries. However, while there are of course some very few people from poor countries who are among the globe’s millionaires and billionaires, these are the “super-rich” and are numerically unimportant. As illustrated in the recent *World Development Report* on equity and development (World Bank 2005b), the real, purchasing-power-adjusted “rich”—those in the 90th percentile of the distribution—are, in nearly every poor country, severalfold poorer than “the poor” (10th percentile) of OECD countries.

One response to comparisons of money income—even though they are adjusted for differences in prices across countries—is that they do not capture true “well-being.” But any nonmoney indicator of well-being—child mortality, malnutrition, schooling—suggests that the richest fifth of the population in poor countries has a much lower living standard than the poorest fifth in rich countries. The child mortality rates of the *richest* quintile of households when ranked by an index based on the assets of many developing countries can be compared with the child mortality rates in OECD countries. Average child mortality in the OECD countries is about 6 per 1,000 live births. In most poor countries, the child mortality of the *richest* quintile is more than *ten times* that high. The idea that “the rich” of poor countries like India, Ethiopia, or even Indonesia are at anywhere near OECD standards of living by any measurable absolute indicator is just false.

A final response is that labor mobility is not really necessary for improving well-being because well-being is “all relative”—that, though the person in the 90th percentile in India is absolutely poorer than the person in the 10th percentile in the United States or Ireland, people only compare themselves with others around them, and hence “they” are perfectly satisfied where they are because if they came here they would be relatively worse off. There is certainly something to the argument that individuals assess their well-being by comparing themselves with others in a socially relevant reference group. But as an idea for supporting bans on voluntary labor mobility, it cannot work—let them decide.

Fifth supporting idea: Antiglobalization is the answer, not more globalization. A final idea that supports keeping labor mobility off the agenda is that the very

limited and “everything but labor” globalization that has occurred is somehow the problem, and hence *less* globalization is the solution. It strikes me as remarkable that the well-justified moral concern of the youth in rich industrial countries for the world’s poor is assuaged by *not* buying the products the world’s poor produce (for example, the antisweatshop movement). But the same rich-country protesters who want better conditions in sweatshops, buy fair trade coffee, and protest U.S. subsidies to cotton (as a means of changing the World Trade Organization, or WTO, agreements) also do not question that the most benign future they can imagine is one in which the poor must continue to grow cotton in the Sahel (for slightly better world prices). These rich-country youth do not seem to ask why the poor are prevented by the coercion of their own democratic governments from taking the single action that would most assuredly raise their income. I was struck by the recent U.S. media coverage of the papal selection that in the brief biographies of several of the developing-world candidates it was highlighted, presumably as part of their appeal as papal candidates, that they were *opponents* of “globalization.” That a quintessentially global institution like the Roman Catholic Church can think the “moral” position is “antiglobalization” seems beyond odd. The idea that *less* globalization is the answer prevents the obvious point—that true globalization includes labor—from even coming on the agenda.

Self-Interested Arguments against Migration

The ideas that restrictions on labor mobility are morally legitimate and not detrimental to the interests of the world’s poor are perhaps a *consequence* of self-interested desires to limit labor mobility by the current citizens of rich countries than a *cause* of labor restrictions.²⁰ Almost certainly, the most immovable ideas that sustain restrictions on labor flows are those that labor flows do not serve the national interests of rich countries and that all else is, as they say, superstructure. My goal here is to not assess whether these ideas are true or false but rather to delineate the immovable ideas that must be at least shifted if increased flows of labor are to be permitted. That is, in the short to medium run, the design of policy proposals for increasing labor mobility must take these ideas as more or less given and then address the political constraints created by the ideas about the ways in which labor mobility is damaging to national interests.

20. On this issue of interests versus ideas, I find myself agreeing with Marx.

Immovable Idea Five: Increased Migration of Unskilled Labor Will Worsen the Distribution of Income in the Receiving Countries and Decrease Wages or Increase Unemployment

That an increased supply of unskilled labor would reduce the wages of unskilled labor is a straightforward application of supply and demand—and, as a statement about a “partial equilibrium” analysis, almost certainly true. There is of course an enormous ongoing debate about the *magnitude* of these effects; there is considerable evidence that they are much smaller than might have been imagined. An influential study of the influx of Cuban migrants into Miami from the Mariel boatlift found essentially no effects on either wages or unemployment (Card 1990). The resilience of local labor markets in absorbing new migrants was considerably higher than people thought. Nevertheless, though some might feel that scholars like Borjas (1999) overemphasize the negative distributive effects of the migration of unskilled labor,²¹ the impact is real (not all immovable ideas are false).²²

This is not a review of the economic literature on the effects of migration on unskilled wages but about the impact of this *idea* on opposition to increased labor flows. There is reasonable empirical evidence that people’s attitudes toward immigration are compatible with the view that they see immigration as worsening the conditions for unskilled labor. For instance, opinion surveys reveal that less skilled workers are more likely to oppose both freer trade and increased immigration (Scheve and Slaughter 2001; O’Rourke and Sinnott 2003; National Research Council 1997). This joint opposition to trade and labor movements is important, because economists have typically seen opposition to freer trade as an obstacle to overcome through the design of liberalization efforts (for example, the Multi-Fibre Arrangement as a political device to overcome opposition caused by the potential loss of textile jobs in the United States, “safeguard” policies, and so on) rather than as an argument against freer trade.

Timmer and Williamson (1998) make an important argument that the rising inequality caused by immigration combined with the extension of the

21. For example, my perception is that his book tends to emphasize the impact on the “less than high school” native workers, a category for which the estimated effects on wages are large but which are a small fraction of the labor force, rather than the “high school educated,” for which the impact is quite modest.

22. The National Research Council (1997), in a review of the literature on the demographic and economic effects of immigration, concluded: “The weight of the empirical evidence suggests that the impact of immigration on the wages of competing native-born workers is small—possibly reducing them by only 1 or 2 percent.”

franchise led immigration policy to become more restrictive in the late nineteenth and early twentieth centuries. Using evidence from a number of host countries, they conclude that the timing of the onset of restrictions on mobility is well explained by these changes—without any appeal to any other force, such as “anti-immigrant” attitudes.

In many ways, this notion that migration “takes jobs” is an “immovable idea” because of the typical person’s “intuitive economics.” The education specialist Howard Gardner (1991) talks of the difference between how the “intuitive” and “expert” approach similar topics. For instance, every person has a working theory of how physical objects behave—an intuitive physics—which is usually correct over a large range of common phenomena (for example, rocks will drop, chairs will stay in the same place, elastic bands will snap back) but makes *systematic* mistakes when pushed into unfamiliar territory.²³ Many people approach trade policy with a mistaken “intuitive economics”: that exports are good and imports are bad is based on an intuitive economics that mistakenly extrapolates what is true of the firm—sales are good (profit increasing), while purchases are bad (profit decreasing) for the nation. Most people think about labor markets in terms of numbers of jobs as a discrete phenomenon (perhaps because they extrapolate from personal experience; they either have a job or do not), and hence political debates tend to get framed in terms of numbers of jobs, whereas all economic models posit wages as clearing a labor market and the number of jobs and wages as jointly endogenous. Many people’s views on labor mobility depend on whether or not they perceive that migrants “take jobs away” from existing workers (whether natives or previous migrants).

This is about the political traction of the idea that because it lowers the unskilled wage and increases wage inequality, labor mobility should be opposed. Though the general popularity of the notion might not have much to do with economists, it is worth a word or two about the economists’ response to this idea. The economists’ typical response to objections to potential Pareto-improving policies that worsen the income distribution is to say “Instruments to targets.” That is, nearly any macroeconomic or microeconomic policy reform—trade liberalization, airline deregulation, macroeconomic stabilization—will produce some change in the economywide

23. His memorable example is asking people about the trajectory of a ball shot out of a barrel that is shaped like a corkscrew. A majority of people untrained in physics think it will continue a corkscrew trajectory—which is a mistaken application of the principle “things will continue to do what they were doing.”

income distribution. But the usual approach is to recommend a policy if it is *potentially* Pareto improving and to also recommend that broad distributional concerns be addressed through the best available instruments for redistribution. That is, there is a broad tradition (to which many object but is nevertheless widespread) that one cannot burden every single policy with a complete general equilibrium analysis of not only the aggregate but also the distributional impact of each policy and use every policy as a distributional instrument. Rather, the “instruments to targets” literature suggests that the most effective policy is to have the best instrument for each target. In this view, while any policy (say trucking deregulation) might have distributional consequences, the policy recommendation should maximize output with one set of instruments and redistribute with another.

Rodrik (2002) emphasizes that imports from countries with low wages that embody an equivalent (relative) amount of unskilled labor should have exactly the same impact on wages if they affect the net supply/demand balance for unskilled labor in exactly the same way. But when applied to trade, nearly all economists will agree that this is a “second best” problem. This is not a reason that justifies tariff restrictions as an instrument to improve income distribution. That is, in this instance, most economists have argued that policies should be separated and that income should first be maximized (free trade) and then optimal transfers implemented.

Hence, it is not clear why this same argument does not apply to the actual mobility of labor (abstracting for a moment from the potential fiscal costs of migrants). I am relatively certain that none of the economists who use evidence of the distributional consequences of increased flows of unskilled labor as an argument against increased labor mobility would be comfortable with that exact same argument as a reason for banning imports from these same places. There is an argument that the “instruments to targets” approach is inadequate in general because although governments could use other, more effective instruments to address distributional implications, they *will not* in fact do this. But again, this is an equally valid reason to oppose imports of labor-intensive goods (which economists almost never do) as it is to oppose migration (which economists often do).²⁴

24. Whether economists should do this is in fact a complex question. Some now advocate a complete distributional analysis of each policy and adoption of only those that are desirable (perhaps by some “do no harm to the poor” or appropriately inequality-weighted welfare metric standard). This is not yet the typical economist’s view.

The main point is not about economics or economists, but that labor mobility is unpopular because in the mind of the general public, and in the minds of many less skilled workers in rich countries, it is perceived as a cause of lower wages for those whose wages are already low. Any proposal for labor mobility must tackle this issue head on, and we will return to it in chapter 4. The fact that this issue has been dealt with for goods trade but not for migration suggests that there are also other issues with labor mobility—so onward.

Immovable Idea Six: Movers Are a Fiscal Cost Because They Use More in Public Services Than They Pay in Taxes

One popular idea is that migrants are a net fiscal cost—they consume more in publicly provided services than they pay in taxes. There are huge debates about whether this is empirically true or not. A U.S. National Research Council study concluded, at current configurations of taxes and the benefits and structure of immigration, “the annual fiscal impact per U.S. resident of an increase of 100,000 per year in the immigrant flow under the baseline circumstances . . . to be roughly +30 \$/person, composed of +40 \$/person at the federal level and –10\$ per person at the state and local level” (National Research Council 1997). But more important, as to whether any given estimate is better or worse, there is no correct answer to the question about the net fiscal cost, for two reasons.

First, even within a given structure of mobility, “the” fiscal cost has no single correct answer because it is entirely contingent on the structure of immigration—by age, by education, by family composition. Younger migrant workers with no children pay far more in taxes than they receive in benefits. Migrants with low education and earnings who bring children constitute a net fiscal cost—because of publicly provided education. Notice that the studies in the United States show the net fiscal impact varies from positive for federal government and negative for states because of the differences in the taxes collected and services provided at the various levels. This emphasizes that there is no way to extrapolate these results from the United States to any other country, because they would differ in the structure of taxation (direct versus indirect taxes) and benefits.

Part of this is the idea, commonly repeated, that “open borders” and the “welfare state” are incompatible, which is true. But this has nothing to do with labor mobility, unless one *presumes* that every person who is physically present in a country necessarily acquires a set of claims on benefits. That is not true. The laws about the distribution of benefits can be structured in nearly any way countries choose (subject to fundamental rights or constitutional constraints).

A country may choose to have a minimum entitlement payment (independent of whether the person works or not) as part of its social benefits (and there is no compelling reason not to have such a benefit). In wealthy countries, this minimum may be far more than people in poor countries earn by working. It would be impossible to have “open borders” and a scheme of social protection that makes these benefits available to everyone who is physically present. But this does not mean that a “welfare state” and “increased labor mobility” are incompatible. No one imagines that the welfare state and massively increased tourism are incompatible—because physical presence as a tourist creates no claims on social benefits.

More to the point, it is widely accepted for skilled labor that a “temporary physical presence” to provide services does not imply claims on social benefits. Management consultants, business executives, academics, and financial professionals travel the globe and are admitted into countries to provide specific services. Moreover, the expansion of this particular aspect of labor mobility is pushed very hard by rich countries. But no one objects that these people do not acquire citizenship or entitlements to publicly provided services in the countries where they work.

This is an extremely sensitive issue, but it must be tackled. The argument that it would be “unfair” or “immoral” to have social benefits for one set of people physically present in a country (say, citizens) and not make those same (or similar) benefits available to another set of people (say, temporary workers) is, to my mind, based on a deeply flawed notion of fairness. For example, one person is living in Chad and another in France (or any other two countries), and France could offer that person two distinct packages of benefits: (1) allow the person to be physically present in France to provide a service on a continuing basis (with no implication of access to France’s “labor market” more generally); or (2) allow the person to participate in the scheme of social benefits to which all French citizens are legally entitled. The notion is that because French voters are unwilling to offer the citizen of Chad all the benefits of package 2, then it is “unfair” to offer them on a voluntary basis the benefits of package 1 at a lower fiscal cost to voters. I cannot think of any rationale for this as a moral argument. I cannot see how either of two major strains of reasoning, Rawlsian “contractarian” or Nozick’s (1974) “process fairness,” can be made to justify such a position—that if they cannot be offered packages 1 and 2, it is unfair to offer them (on a voluntary basis) just package 1. After all, the person from Chad can always refuse package 1 and be no worse off.

This leads to the second main point about fiscal cost: One cannot simply assume that the incremental fiscal cost of an additional worker in a new

scheme of labor mobility would be the same as the cost per person under current existing immigration flows. The new migrants might enter under entirely different conditions—or themselves be different in important ways.

The point is political. People *believe* migrants create a fiscal cost and for this reason oppose additional migration. But this fiscal impact depends on the configuration of migration and the structure of benefits provided to migrants (and their children). Proposals must address the issue of fiscal cost if they are to be politically viable.

*Immovable Idea Seven: Allowing Movement across Borders
Creates Risks of Crime and Terrorism*

The terrible and tragic events of September 11, 2001, obviously changed the entire discourse about immigration policies in the United States. Similar incidents in other countries, such as the train bombing in Spain and the killing of a prominent filmmaker in the Netherlands (apparently for his “anti-Islamic” films), have created similar concerns that an excessively liberal policy toward allowing non-nationals into the country raises security risks. There is no question that a country must secure its borders against those that present a threat, and any serious proposal for labor mobility across borders must take this concern very seriously.

The issue of the relationship of crime and labor mobility is distinct, with two dimensions. First, there is a perception that migrants are more prone to criminal activity. Most research suggests, not surprisingly given that migrants are self-selected, that migrants are much *less* likely to be engaged in crime than are the native born (National Research Council 1997; Butcher and Piehl 1998). But it will always be the case that some crimes are sometimes committed by foreigners; and, unlike crimes by the native born, these crimes will be perceived as “avoidable” in ways that similar crimes committed by citizens are not. The risk of criminality must be addressed.

Second, there is the issue of the vicious circle, in which, by definition, many immigrants are committing a crime. Many countries, in particular the United States, have resolved their social and political ambivalence (and open political conflicts among various interests) about labor mobility by creating laws that then are not enforced. Though increased migration is opposed in opinion polls, there is also a sense among many that these laws are illegitimate and hence that there is little reluctance to employ people who are not present in the country legally. The fact that many candidates for high political appointment have violated the law by employing individuals who are undocumented migrants suggests deep ambivalence about the legitimacy of these laws. The problem with resolving the pressures that people do want to hire foreign

workers, even if undocumented, with the desire to control the borders with an expensive political charade at enforcement is that crime and migration *are* intimately associated.

Again, the analogy with Prohibition is instructive, for the attempt to ban the consumption of alcohol meant that people who consumed alcohol were breaking the law and even those who opposed Prohibition were left with an uneasy sense that law and order should not be flaunted. So, the upshot is that if labor mobility across borders is a crime, then laborers who cross borders are criminals. The whole of what is otherwise a perfectly ordinary process—no one talks of workers being “smuggled” from Michigan to Arizona—acquires a taint of illegitimacy. So both drugs and people are “smuggled” across borders—but there is a qualitative difference, because drugs are illegal on both sides of the border, but people working for other people is the most ordinary thing in the world on both sides of the border. The solution, far from easy—as the United States has learned—is to create an enforceable regime of labor mobility.

*Immovable Idea Eight: “They” Are Not Like “Us”—
Culture Clash Arguments*

Of all the ideas that limit migration, perhaps the most important is the idea that there is a national “culture” and that increased labor mobility threatens that culture. This is also the most difficult to discuss in a sensible way, because it is so difficult to separate this argument from garden variety racism, bigotry, and intolerance. That is, if anyone were to suggest that a person who is already a citizen of an industrial democracy ought to be treated differently because they were Jewish, or Muslim, or Hindu, the person making that suggestion would have clearly moved beyond the pale of intellectual and political discourse and would be treated as a complete crank. But if someone were to suggest that people should not be allowed to enter that same country because they are Muslim and that this would change the “character” or “culture” of the country, then these people would, and do, constitute a serious political force. In a tour de force demonstration of the pliability of political logic, one prominent European politician argued that Muslims could not be allowed in because *they* (the Muslims) were intolerant—and hence, in the interests of toleration, people with different beliefs could not be tolerated.

The point is not to argue against this idea or even to argue that these ideas need to be changed. The point is that there is a deep-seated distrust of people from countries that are “different” and that this is a powerful political force that needs to be addressed in any proposal for greater labor mobility.

Summary

One way of summarizing the self-interested arguments against labor flows is to think of the basic economists' classification "goods" according to whether they are rival and/or excludable—leading to their classification as private (excludable and rival), public (nonexcludable, nonrival), club (excludable but nonrival), and commons (rival but nonexcludable).²⁵ Access to a country is clearly an "excludable" good; the question is the benefits of exclusion. If the benefits of being in France are primarily "rival"—an additional person's presence in France reduces the benefits to those already in France—then this is a "commons" problem, and a lack of excludability would lead to a "tragedy of the commons," in which the value of being in France was eroded by allowing more people into France. Conversely, if the benefits to France are access to France's "institutions" that allow for law and order and high economic productivity (as in the "all A" or "institutions rule" theories of national income discussed above), then, as long as there are no congestion effects, this is a public good and there is no reason to exclude, and hence "physical access" is a club good.

A key question is whether the factors that make rich countries attractive as migration destinations are "rival" goods or not. The answer is that they are a mix of pure public goods (like high-quality institutions for economic productivity), club goods (for example, access to public schools), and "common" goods (for example, law and order). The ideas that oppose labor mobility tend to emphasize the "commons" aspects (for example, foreigners dilute our culture, or foreigners do not pay their way fiscally)—where additional people reduce the value—while downplaying the "public good" aspects.

Why Try and Put Labor Mobility on the Development Agenda?

Labor mobility has been completely off the "globalization" and development agendas, for two reasons. First, these agendas are constructed by and for *nation-states*, and, as we saw in chapter 1, whatever secondary benefits migration might have for the nonmover citizens of immigrant-sending or -receiving countries, the main beneficiaries are those who move (and their families). Second, the ideas blocking increased labor mobility in the rich industrial countries seem so *immovable* that it was simply not worth wasting time and energy pushing against them. Personally, as a development economist, I had always avoided working on issues of labor mobility because while freer trade

25. I would like to thank Michael Woolcock, a sociologist, for this suggestion.

in goods or more capital mobility or even economic aid had obviously viable political constituencies and coalitions, it seemed pointless to even talk about the mobility of unskilled labor because the political obstacles were insurmountable. But as I thought more about it, four arguments convinced me that increased labor mobility is an issue worth raising.

First, ideas are less immovable than they seem. Ideas are a bit like a large dam. A dam can hold against tremendous pressures for decades and even centuries; but once breached, it can disappear in hours. In 1914 nearly every European state was headed by a monarch, a form of government that had persisted in Europe for more than a thousand years; but twenty years later, a blink in historical time, all but a few of the European monarchies were gone. Even more telling, the very *idea* of a monarchy as even a *possible* mode of governing was gone. Colonialism persisted for centuries—and then essentially disappeared in the two decades from 1947 to 1965—and the very *idea* of colonialism disappeared with it. Slavery had been a part of a multitude of civilizations for thousands of years—and was rarely considered morally problematic—and it too disappeared in the blink of the historical eye.²⁶

The ideas that supported monarchy, colonialism, and slavery seemed in their day solid, impregnable, and respectable. Not only did these ideas change, but they changed so decisively that, even a few decades later, people wonder how otherwise rational and well-meaning people could have been held in the thrall of such patently ludicrous, not to mention obviously morally despicable, notions. Abolitionists in the United States were a small, radical, and many thought lunatic fringe group almost right up to the time they completely changed history forever; and it is now almost impossible to believe that they were the fringe.²⁷

It is not inevitable, or perhaps even plausible, but it is at least *possible* that the idea that it is acceptable to place restrictions on the movement of persons that hold human beings cruelly hostage to the place of their birth will be seen by my grandchildren as hopelessly wrongheaded. What seems like prudence and realism today in not promoting what seems “politically impossible” may seem a simple lack of moral courage tomorrow.

Second, as I read the pages of publications that consider themselves socially and morally “progressive,” my impression is that there are at least ten times as

26. There are many other examples of persistence followed by rapid change from the trivial—ranging, for instance, from the disappearance of dress hats for men to socially beneficial attitudes about highway litter.

27. John Brown was executed for treason and then celebrated as a hero within years.

many books about a political movement with a moral stance that is broadly characterized as “animal rights” than there are promoting increased unskilled labor mobility. Though these arguments might not yet cut much ice in the real world, serious, thoughtful people are suggesting that our descendants will look back at us in disbelief with the moral callousness with which we ignored the rights of animals in the same way we regard the casual racism of our ancestors. They suggest that those of us who stand on the sidelines today in the struggle for animal rights risk being seen with hindsight as just as morally feckless as those who tolerated slavery or segregation. To me, this concern for animal rights seems like the *reductio ad absurdum* of the view that all that matters to morality is physical proximity. There are human beings on the planet who do not live as well as do animals under the minimal, *legally enforced*, standards for animals in the United States.²⁸ These people are trapped in their present and future condition of poverty by, among other forces, the coercion exerted by citizens of rich countries to keep them out of their country. I cannot predict what the future will bring, but I hope that it will judge me more sharply for the extent to which I worried about the plight of my fellow human beings, even people of different colors and in the distant parts of the planet, than my pets at home. If there can be a justice-based movement for animal rights, certainly there can be a justice-based movement for labor mobility.

Third, the antiglobalization movement gives me great hope—although I believe it is almost entirely wrongheaded. The movement gives great hope because it generates political impetus around actions to improve the well-being of the poor. The fact that one can create “fair trade” action groups and protests about unfair cotton subsidies and concerts for debt relief suggests that there is not complete indifference. But the problem is not that globalization has gone too far. Perhaps “everything but labor globalization” has gone too far, but globalization has not even begun to face the key issue for the poor: the market for unskilled labor (Cohen 2005).²⁹ Instead of attempting to

28. For animals used in laboratory research, there are published guides on the quantity and quality of food, living conditions (space, light, temperature control), and access to health care (both preventive and curative).

29. This is obviously a play on Rodrik’s influential book *Has Globalization Gone Too Far?* (1997) versus his colleague Robert Lawrence’s *Has Globalization Gone Far Enough?* (2004). But Rodrik’s “Feasible Globalizations” (2002) begins to put labor on the agenda and to make the point that it has, so far, been an “everything but labor” globalization, which is not the only possibility, because expansions in labor mobility are “feasible” and have a high payoff.

roll back globalization, it seems that there is scope to generate progressive social movements to push globalization ahead.

The final element that convinced me to think about migration was reading a Harvard Business School case extolling the success of a very few people in the pharmaceutical industry using domestic politics and an existing international process for negotiation—the General Agreement on Tariffs and Trade (GATT) / WTO rounds—to create more favorable conditions for their industry. GATT had always been about removing barriers to trade and lowering tariffs. To my knowledge, no economist had ever considered the fact that different countries adopted different types of patent legislation as a “trade” barrier—after all, patents create property rights, and countries differ legally in a myriad of ways about what is, or is not, “property.” But the pharmaceutical industry placed it squarely on the negotiation agenda for a WTO round. How is it that patent protection is so strongly on the WTO agenda but labor mobility—an issue of near infinitely more importance for human well-being and much more naturally a “trade” issue—is not? If blatantly self-interested advocacy can so easily sway what is and is not on the international agenda, then perhaps the prospects for a serious agenda on labor movements is not impossible.

Conclusion

A set of interrelated ideas sustains the political coalitions and popularity of rich-country policies to restrict human movements, a system that resembles apartheid on a global scale. Though I have presented the eight ideas that make these seem morally acceptable, it is possible that these are really rationalizations driven by opposition to labor movements that is in turn driven by narrowly self-interested concerns. Let me list the ideas here in reverse order:

8. “Culture clash”—“they” are not like “us”—foreigners are, well, foreign.
7. Security—crime and terrorism—foreigners are a risk.
6. Fiscal costs—movers do not pay their fair share of taxes.
5. Inequality—allowing entrants to the labor market makes the poor already here worse off.
4. Labor mobility is not necessary to improve the plight of the world’s worst off.
3. Development is about nation-states, not nationals.
2. Physical proximity is all that matters for moral obligation.
1. “Nationality” is a legitimate basis for discrimination.

Because the main forces blocking increased labor mobility are ideas, and I hope I have captured the most important of these ideas, the challenge is to develop alternative ideas—proposals for national and international agendas that create development-friendly policies toward migration and create sustained pressure for the adoption of those proposals. The next chapter addresses the various aspects of proposals that are both *politically acceptable* to voters in rich countries and also *development friendly*.