



LABOUR: 'Let Them Come'

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LONDON, Sep 14 (IPS) - "Let them come." The words set off fear in rich countries when spoken about migration, but used for temporary and controlled movement of labour, they can sound sweet for both developed and developing countries, a new study argues.

The book 'Let Their People Come: Breaking the Gridlock on International Labour Mobility' carried out by Lant Pritchett for the Centre for Global Development in Washington says that if rich countries permit a three percent increase of their labour force by easing restrictions on labour mobility, the benefits to citizens of poor countries would be 305 billion dollars a year.

That would be twice the combined annual benefits of trade liberalisation (86 billion dollars), foreign aid (70 billion dollars) and debt relief (about 3 billion dollars in annual debt service savings), the report says.

The fundamental obstacle is of course the fears in rich nations over a wave of migrant labour.

"It is not a catastrophic move we are talking about here," Pritchett told IPS. "We are not throwing open the labour market, we are talking about limited, occupation specific work." And within such arrangements, labour from developing countries "make more money, people in rich countries get the services they want."

It is essential to talk here of labour mobility, not migration, Pritchett said. "When I talk about labour mobility, I talk about a very tightly regulated series of programmes. You are not going to just throw access open to rich country labour markets. You set the terms for which people you will allow into the country to provide which types of services. We can regulate people through a political process."

That means specific agreements with particular countries to import temporary labour for particular tasks, where the sending country takes responsibility that the temporary labour will return. "Allocation to the sending country goes down by the number of people that overstay," Pritchett said.

Given people's roots and connections in their home countries, and their needs as citizens, it should be possible for the sending country to make sure that the temporary labour remains temporary -- and returns, Pritchett said. That works in tandem with provisions in rich countries who take responsibility for certifying labour shortages in specific industries.

Rather than some overarching global agreement, Pritchett argues for specific and limited agreements between governments to meet particular needs that work to the benefit of both.

Care of the elderly in Europe is an example, he said. "From an economist's point of view it makes no sense to force high wage European labour to be exclusively responsible for the care of older Europeans."

The proposal is clearly up against widely held prejudices within rich countries, Pritchett acknowledges. "The typical rich country citizen has this view that their border is this dam that's holding back this massive wall of water, and that if we allow the slightest breach in it, the whole wave of it comes crashing down on us."

Getting citizens from rich countries to learn to tell the difference between migration and labour mobility will inevitably be the biggest challenge.

"The media reflect the scepticism of the public," Pritchard said. And fear of migration is not the only prejudice that can be played upon.

"Media portrays this as corporations wanting to import and exploit labour to further exploit domestic workers," he said. "But this is not about corporations versus workers, because a lot of the things that immigrants do are in fact direct services to people."

But it can help to start using the expression 'labour mobility' rather than 'migration' to describe such movement of people, Pritchard said. "The more that we can make the analogy between capital mobility, goods mobility and labour mobility, the more people will gradually come to accept it," he said.

"We in the West have no problem with people sitting to make labour value goods that are shipped to our countries, so goods mobility has become a default. What we really have now is a globalisation where we have mobility of everything but labour. The idea of labour mobility as a natural complement to the capital mobility and goods mobility that has proceeded so far makes the world fairer to labour."

The book points out that in Hong Kong and Singapore, foreigners working as housekeepers and nannies account for 7 percent of the labour force (compared to only 0.3 percent in the United States). These temporary household workers make it possible for more highly skilled women to work outside the home, raising national income by between 1.3 and 3.3 percent, and increasing tax revenues from the additional employment.

Globally, because of such benefits, the 3 percent increase suggested in rich country labour forces through legal, temporary labour would result in a net annual gain of 56 billion dollars to current rich country residents, on top of the 305 billion dollars annual direct gain to migrant workers themselves and their families, Pritchett argues.

Nancy Birdsall, president of the Centre for Global Development, said that the new book was the Centre's latest research output in an ongoing effort to ensure that rich countries consider the impact of their labour and migration policies on people in developing countries.

"Everybody knows that trade, aid and debt relief are development issues," she said in a statement. "Labour mobility is like the 800-pound gorilla in the room that nobody wants to discuss. Lant's book will change that."

According to the book, five irresistible forces are making pressure for mobility across national boundaries greater than ever before. These forces are:

- Widening gaps between wages for unskilled workers in rich countries and poor countries. In the 19th century the gap in unskilled wages between receiving and sending countries was about 3 to 1. The same gap today is more than 10 to 1.
- Differing demographics. Falling birth rates and greater longevity mean that populations in rich countries are aging rapidly. In neighbouring poor countries, working age populations are burgeoning.
- Globalisation of everything but labour. Movement of goods, capital, and ideas has reached the stage where gains from further liberalisation are tiny compared to the potential gains from increased labour mobility.
- In coming years, more than half of U.S. job growth -- about five million new jobs per year -- will be jobs such as home health care aides, janitors, cashiers, and fast food workers. These are low-skilled service jobs that cannot be outsourced to a developing country.
- In many developing countries, income from relatives working abroad is the only way to maintain or improve their standard of living.

The study has drawn widespread interest already.

"Lant Pritchett gives us the most lucid and forward-looking account of the one aspect of 21st century globalisation that politicians still refuse to recognise and manage properly," Ernesto Zedillo, director of the Yale Centre for the Study of Globalisation and former president of Mexico said in a statement.

"Whether anyone likes it or not, migration will be a key issue of the 21st century," said Mary Robinson, president of the Ethical Globalisation Initiative and former president of Ireland. "Pritchett's book highlights the difficult political and ethical issues that the movement of people across national borders presents to the current system. His discussion of ways to break the deadlock is a provocative contribution in an area where provocation is needed."

L. Alan Winters, director of the Development Research Group at the World Bank said "this book makes the case for unskilled migration in a more original, challenging and entertaining way than any other I have seen." (FIN/2006)