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Should We Globalize Labor Too?

By [JASON DePARLE](#)

The Arniko Highway climbs out of Kathmandu in long wending loops that pay twin tribute to the impassability of Himalayan terrain and the implausibility of its development. Outside Africa, no country is poorer than Nepal. Its per capita income looks like a misprint: \$270 a year. Sudan's is more than twice as high. Nearly two-thirds of Nepalis lack electricity. Half the preschoolers are malnourished. To the list of recent woes add regicide — 10 royals slaughtered in 2001 by a suicidal prince — and a Maoist insurgency.

A few hours east of the city, a gravel road juts across a talc quarry, where the work would be disturbing enough even if the workers were not under five feet tall. Scores of young teenagers, barefoot and stunted, lug rocks from a lunar pit. The journey continues through a district capital flying Communist flags and ends, 12 hours after it began, above a forlorn canyon. Halfway down the cactus-lined slope, a destitute farmer named Gure Sarki recently bought four goats.

The story of Gure Sarki's goats involves decades of thinking about foreign aid and the type of program often seen as modern practice at its best. Two years ago, an organizer appeared in the canyon to say that the Nepal government (with money from the [World Bank](#)) was making local grants for projects of poor villagers' choosing. First villagers had to catalog their problems. With Sarki as chairman, Chaurmuni village made its list:

“Not able to eat for the whole year.”

“Not able to send children to school.”

“Lack of proper feed and fodder for the livestock.”

“Landslide and flood.”

“Not able to get the trust of the moneylender.”

“Insecurity and danger.”

A week later, they agreed to start a microcredit fund and expand their livestock herds. Twenty villagers would buy a total of 55 goats at \$50 apiece. The plan specified who would serve on the goat-buying committee, the per diem the goat buyers would get and the interest rates on the loans (just over 1 percent). Those who were literate signed their names, while others inked fingerprints, and the papers went off to Kathmandu, where officials approved a \$3,700 grant. Within two months of the first meeting, Sarki had his goats. They doubled the value of his livestock holdings. He prizes them so much that he sleeps beside them inside his house to protect them from leopards. He plans to sell them next year for a profit of about \$25 each.

Lant Pritchett says he has a better idea. Pritchett, a development economist and practiced iconoclast, has just left the World Bank to teach at Harvard and to help [Google](#) plan its philanthropic efforts on global poverty. In a recent trip through Chaurmuni, he praised the goats as community-driven development at its best: a fast, flexible way of delivering tangible aid to the poor. “But Nepal isn’t going to goat its way out of poverty,” he said. Nor does he think that as a small, landlocked country Nepal can soon prosper through trade.

To those standard solutions, trade and aid, Pritchett would add a third: a big upset-the-applecart idea, equally offensive to the left and the right. He wants a giant guest-worker program that would put millions of the world’s poorest people to work in its richest economies. Never mind the goats; if you really want to help Gure Sarki, he says, let him cut your lawn. Pritchett’s nearly religious passion is reflected in the title of his migration manifesto: “Let Their People Come.” It was published last year to little acclaim — none at all, in fact — but that is Pritchett’s point. In a world in which rock stars fight for debt relief and students shun sweatshop apparel, he is vexed to find no placards raised for the cause of labor migration. If goods and money can travel, why can’t workers follow? What’s so special about borders?

When they are being polite, Pritchett’s friends say he is, ahem, ahead of his time. Less politely, critics say that an army of guest workers would erode Western sovereignty, depress domestic wages, abet terrorism, drain developing countries of talent, separate poor parents from their kids and destroy the West’s cultural cohesion. Pritchett has spent his career puncturing the panaceas of others. It says something about the intransigence of much of the world’s poverty that he may be in the grip of his own.

Pritchett was up early, on stinky-toilet patrol. He had arrived in the dark in the village of Bisauli and slept on a dirt floor. Daylight brought the first glimpse of his surroundings and with it a boondoggle alert: several villagers had used program money to build outhouses. “South Asia is littered with toilets that are quickly abandoned because they become smelly,” he said. Water hauled up mountains is too precious for cleaning squat toilets; most people go outside. Pritchett had feared that organizers were pushing toilets and was relieved to find most of the money had purchased faucets and goats.

He moved on — actually up, given the topography — and offered a primer on rural development through shortened breaths. “PAF (huff)” — the Poverty Alleviation Fund — “is a third-generation project (huff),” he said. The first generation tried everything at once — roads, drinking water, new crops

— and failed through complexity. The second generation simplified: road builders just built roads; well diggers dug wells. But some villages got roads when they needed wells. And some villages got wells that did not work. Some villages got nothing because people stole the cash. The World Bank officials tried to fix these problems when they helped design the Nepal program, which so far has received \$40 million. The program is flexible; the money can be put to many uses. It is “demand driven”; villagers decide. It is “transparent”; the accounting is posted on a bulletin board. And it is “targeted”; only poor villagers qualify. “PAF (huff) is state of the art,” he said. “It’s pimped up!”

Still, for all of the program’s sophistication, it is a modest effort aimed less at ending poverty than at ameliorating it. With an annual per capita income of \$90, the Ramechhap district, where Pritchett was traveling, has much to ameliorate. Midway through his morning tour, Pritchett stopped at a faucet where three women were filling baskets with firewood and water jugs. The baskets were designed to rest on stooped backs with the help of a forehead strap; they looked like a chiropractor’s full employment plan. Pritchett was traveling with his 14-year-old son, Isaac (5-foot-8, 135 pounds), and challenged him to lift one. Neck veins popped, but the basket didn’t move. Pritchett (5-foot-9, 185 pounds) leaned into the forehead strap and staggered a few steps. Slight as dime-store dolls, the giggling women grabbed their baskets and trundled off in bare feet. Life in Nepal is hard.

The same could be said of Ireland in the 1850s, Italy in the 1880s and Oklahoma in the 1930s. In each case, large populations suffered economic shocks and responded in the same way. They left. Following the potato blight, the Irish population fell by 53 percent, at least as much because of migration as the deaths caused by famine. That benefited the migrants, of course. But Pritchett notes that it also left Ireland with fewer people to support; gross domestic product per capita never fell.

Pritchett contrasts Zambia, whose economy peaked in 1964 on the strength of copper mines. When copper markets declined, Zambians had no place to go; the population nearly tripled and per capita G.D.P. fell more than 40 percent. Pritchett likens 19th-century Ireland to a ghost town and calls places like Zambia “zombies” — lands of the living dead. While some distressed regions can adapt and prosper, by far a preferential fix, Pritchett argues that hundreds of millions of people are stuck in places with little chance for development. For them, only “out-migration can prevent an extended and permanent fall in wages.”

Nepal has not suffered a sudden shock (except for the civil war, which has paused with the Maoists sharing government power). But it is a small, landlocked country with little manufacturing, daunting terrain, low literacy and scant infrastructure. What it does have — its “comparative advantage” — is cheap workers, many of whom already go abroad. While most go to low-wage countries like India, they still send home about \$1 billion a year. That accounts for 12 percent of Nepal’s G.D.P. and is three times its spending on “public investment,” which includes efforts like education, hunger relief and electrification. Despite the country’s troubles, remittances have helped cut the poverty rate by 25 percent and would cut it further, Pritchett says, if more Nepalis could work in the West.

Stinky-toilet patrol completed, Pritchett was getting a report in a neighboring village — goats bought,

fodder trees planted — when an overseas worker wandered in. Indra Magar, home from Qatar, had the air of a visiting prince. He was 25, with crisp jeans and a shirt stamped “United Precast Concrete.” The way his father beamed, it could have said “Princeton.” The father, Singha Madur, had spent his life as a human mule, hauling goods by foot over the mountains from a road nine days away. His son made \$400 a month, nearly 10 times the local wage, and was saving to start a shop in Kathmandu. Something looked different about the younger Madur besides his clothes, and I finally realized what: he was the first villager I had seen with a paunch. I asked the father the best part of his son’s life. “He’s full!” he said. “Full all the time.”

Migration is Pritchett’s religion. He was raised a Mormon in Utah and Idaho, venerating ancestors who crossed the Plains to chase their dreams of Zion. Fifteen of his 16 great-great-grandparents made the trip. To commemorate the Mormons’ arrival, Pritchett and his siblings wore period clothes on Pioneer Day and paraded with covered wagons. “I’m into the general gestalt: people finding God, pursuing a vision to start a new life,” he says. “It’s a story you can build a culture around.”

His father, a lawyer, was a Mormon bishop, a lay position, but Pritchett was the family rebel. He not only drank beer with his buddies; he left the cans in his parents’ car. When his father berated him for skipping services, the smirking debate-team son replied, “Is that what you learned in church today?” In high school, he gave a cop the finger just to see what he would do. The defiance continued at [Brigham Young University](#), where a fireworks prank in a bathroom stall made the school paper.

Mormon tradition required him to go on a mission after his freshman year, but Pritchett was unsure whether he believed. He hiked off one night and wandered until dawn, when he found himself at the Geneva Steel Mill, a dying plant that his grandfather, a carpenter, helped to build; it was as ugly as any place he had seen. Then the new sun painted the valley pink, and Pritchett had what he later called an epiphany: “In the right light, everything can be beautiful,” including religious duty. “That’s when I became a Christian,” he says. (His brother, who practices law in San Francisco, told me the story, which Pritchett seemed embarrassed to discuss.) His two-year mission in Argentina awakened him to global poverty. When he returned to B.Y.U. and married after his sophomore year, a text that figured in the courtship of his wife, Diane, was the Mormon book of Mosiah, in which King Benjamin implores the faithful to share their wealth.

If Joseph Smith offered one lodestar, Adam Smith offered another. Pritchett entered graduate school in 1983, as a long era in international development was meeting its end. For decades, experts had pursued variants of the “Big Push” theory: poor governments would borrow heavily abroad, invest in roads, clinics and schools and subsidize domestic industries protected by high tariffs, expecting their economies to eventually ignite. But the infant industries remained inefficient, and developing countries could not sell enough abroad to pay their debts. After Mexico stunned the world in 1982 by defaulting on its foreign debt, Big Push was out and “structural adjustment” was in. That meant budget cuts, privatization and, above all, free trade: export-led growth would save the world’s poor. Pritchett came of age with these policies, which were dubbed the Washington Consensus. He received his Ph.D. from the [Massachusetts Institute of Technology](#) and joined a group of researchers at the World Bank known as

the “[Hezbollah](#) of Free Trade.”

There he found a mentor in [Lawrence H. Summers](#), the bank’s chief economist, who was already famed as a brainy critic of received wisdoms. They wrote papers together challenging conventional views of health programs and population control and set off a tempest after Pritchett, critiquing a colleague’s work, wrote a mocking memo that pretended to advocate polluting poor countries. Summers signed the long memo (without reading that passage, he says) and found himself tied to a leaked portion that argued the “logic behind dumping a load of toxic waste in the lowest-wage country is impeccable.” Summers survived to become treasury secretary and until recently president of Harvard, where he and Pritchett will teach a course next year on globalization.

Pritchett’s career has straddled a paradoxical time. Poverty in China and India has plunged, [Bono](#) campaigns for debt relief and Angelina Jolie puts African hunger on MTV. On the surface, it seems like a golden age for poverty fighters. But despite a half-century of study, the development guild has few reliable answers to its most important question: how to make poor economies grow? China and India, by their very size, are idiosyncratic and have moved toward economic orthodoxies in unorthodox ways. There is little agreement on why they have succeeded, much less on how to transfer their success to places like Nepal. Elsewhere, experts have seen little but disappointment.

No region bought the Washington Consensus more avidly than Latin America. Yet for two decades, the growth of its per capita G.D.P. has hovered close to zero. Everyone expected the countries of the former Soviet Union to face transitional hardships, but their average economic contraction has been greater than that of the Great Depression and longer-lasting. Sub-Saharan Africa, despite decades of Western aid, has had little growth, more wars and new epidemics. Some big-name optimists remain, most notably Jeffrey D. Sachs, whose best-selling book, “The End of Poverty” (foreword by Bono), argues that the West knows how to end extreme poverty by 2025. But Pritchett is more typical of his peers when he says of the development record, “If that hasn’t been sufficient to beat the hubris out of you, you haven’t been paying attention.”

His own career reflects the profession’s lowered sights. His first field assignment, in 1998, cast him as a relief worker not a development specialist: he helped to finance rice purchases following the Indonesian financial crisis. His best-known academic work is negative: an article that shows global inequality to be even larger and more longstanding than generally supposed. One of Pritchett’s closest friends, William Easterly, attacked the whole rationale for foreign aid in his book “The White Man’s Burden,” which argues that aid has failed to promote growth. In contrast, Pritchett’s book (with David Dollar), “Assessing Aid,” argues that foreign assistance can spur growth when accompanied by sound local practices and helped to inspire a major Bush administration program, the Millennium Challenge Account. Still, it says something when Pritchett’s failure to condemn all aid casts him as an aid optimist.

When Argentina, a faithful adapter of the Washington Consensus, defaulted on its foreign debt in 2001 — two decades after Mexico — it rang down the curtain on another age of failed prescriptions. By then Pritchett was on leave at Harvard, teaching alongside other chastened economists. No one was fully

satisfied with the Washington Consensus anymore, at least not as a prescription for growth. But no consensus had taken its place. The gains from increased trade, though sizable in many economists' view, had mostly taken place. Aid and debt relief were generally seen as limited tools. The whole notion of big ideas was out of favor. "So little seems to work," Pritchett warned in an article — "What's the Big Idea" — that disparaged big ideas. Yet he was mulling a big idea of his own. True to form, it was a stink-bomb-in-the-bathroom kind of idea: an assault on the morality of borders.

The basics are simple: The rich world has lots of well-paying jobs and an aging population that cannot fill them. The poor world has desperate workers. But while goods and capital can easily cross borders, modern labor cannot. This strikes Pritchett as bad economics and worse social justice. He likens the limits on labor mobility to "apartheid on a global scale." Think [Desmond Tutu](#) with equations.

Pritchett sees five irresistible forces for migration, stymied by eight immovable ideas. The most potent migration force is the one epitomized by Nepal: vast inequality. In the late 19th century, rich countries had incomes about 10 times greater than the poorest ones. Today's ratio is about 50 to 1, Pritchett writes in "Let Their People Come." The poor simply have too much to gain from crossing borders not to try. What arrests them are the convictions of rich societies: that migration erodes domestic wages, courts cultural conflicts and is unnecessary for — perhaps antithetical to — foreign development. When irresistible force meets immovable object, something gives — in this case legality. Migration goes underground, endangering migrants and lessening their rewards.

The key to breaking the political deadlock, Pritchett says, is to ensure that the migrants go home, which is why he emphasizes temporary workers (though personally he would let them stay). About 7 percent of the rich world's jobs are held by people from developing countries. For starters, he would like to see the poor get another 3 percent, or 16 million guest-worker jobs — 3 million in the U.S. They would stay three to five years, with no path to citizenship, and work in fields with certified labor shortages. He assumes that most receiving countries would not allow them to bring families. Taxpayers would be spared from educating the migrants' kids. Domestic workers would gain some protection through the certification process. And a revolving labor pool would reach more of the world's poor.

In effect, Pritchett is proposing a Saudi Arabian plan in which an affluent society creates a labor subcaste that is permanently excluded from its ranks. He does so knowing full well that his agenda coincides with that of unscrupulous employers looking to exploit cheap workers. Many migration advocates oppose a plan, now dividing Congress, to create a guest-worker force a 15th as large as the one Pritchett wants, saying it would create a new underclass. But Pritchett calls guest work the only way to accommodate large numbers. To insist that migrants have a right to citizenship and family unification, he says, is to let men like Gure Sarki go hungry. It is cruel to be kind. The choice is theirs. Let the poor decide. "Letting guest workers in America doesn't create an underclass," he says. "It moves an underclass and makes the underclass better off."

Part of Pritchett's argument is mathematical. Drawing on World Bank models, he estimates his plan would produce annual gains of about \$300 billion — three times the benefit of removing the remaining

barriers to trade. But the philosophical packaging gives his plan its edge. Pritchett assails a basic premise — that development means developing places. He is more concerned about helping Nepalis than he is about helping Nepal. If remittances spur development back home, great, but that is not his central concern. “Migration is development,” he says.

Indeed, Pritchett attacks the primacy of nationality itself, treating it as an atavistic prejudice. Modern moral theory rejects discrimination based on other conditions of birth. If we do not bar people from jobs because they were born female, why bar them because they were born in Nepal? The name John Rawls appears on only a single page of “Let Their People Come,” but Pritchett is taking Rawlsian philosophy to new lengths. If a just social order, as Rawls theorized, is one we would embrace behind a “veil of ignorance” — without knowing what traits we possess — a world that uses the trait of nationality to exclude the neediest workers from the richest job markets is deeply unjust. (Rawls himself thought his theory did not apply across national borders.) Pritchett’s Harvard students rallied against all kinds of evils, he writes, but “I never heard the chants, ‘Hey, ho, restrictions on labor mobility have to go.’ ”

Even friends fear he has not come to grips with the numbers. The West is nowhere close to accepting Pritchett’s 16 million — and the developing world has a labor force of nearly 3 billion; what if most of them moved? “I think Lant overdoes it in estimating migration’s potential,” said Nancy Birdsall, president of the Center for Global Development in Washington, which commissioned and published the book. “Do you think the U.S. would accept 300 million of the world’s poorest people?” Birdsall praises Pritchett’s work as a conversation starter but adds, “People think about development as being about place not person — they’re more right about this than Lant believes.”

One of those people is Jeffrey D. Sachs, director of the Earth Institute at [Columbia University](#). “There’s no way that migration is going to substitute for economic development at home,” he told me recently. Pritchett’s willingness to abide more family separation reddens Sach’s face. Separation has spread adultery, divorce and [AIDS](#) across the developing world. “It’s tragic!” he said. “Let them come as a family! Having tens of millions of men separated from their families in temporary living conditions is hardly going to be conducive to the kind of world we’re aiming to build.”

Lawrence Summers, Pritchett’s old mentor, said Pritchett’s book may be like [Milton Friedman](#)’s “Capitalism and Freedom,” which seemed “lunatic in the moment” but won converts with time. Still, he wonders if the West can create migrant subcastes without compromising its values and fears that voluntary compacts do not solve the moral problem; we do not let people volunteer to sell body parts or work in unsafe mines. “Lant’s kind of compassionate libertarianism carries the risk of a morally problematic coarsening that we resist in many other ways,” he said. He is open to guest-worker experiments but wonders about their “sustainability.”

Those are migration allies. People who think migration is too high — 12 percent of Americans are foreign-born — say that Pritchett is prescribing cultural suicide. “All guest-worker programs result in permanent settlement,” says Mark Krikorian of the Center for Immigration Studies, a Washington group that seeks less [immigration](#). Some workers will overstay their visas, he warns. Advocates and employers

will lobby for extensions. And guest workers will increase illegal immigration by attracting relatives and friends. Krikorian fears that immigrants are already forming parallel societies whose numbers do not even bother to learn English; adding to the 36 million already here, he said, would speed the cultural secession. “You’d have more ‘Press 2 for Swahili,’ no question about that,” he says. “It’d be a complete catastrophe.”

Pritchett responds in character — defiantly. Moral coarsening? “We’re already being morally coarsened by allowing people to live as fourth-class citizens in the rest of the world,” Pritchett says. “We’re just not forced to confront it.” Scale? Yes, his plan would start small (by global terms), but Pritchett argues that it contains the seeds of its own expansion. With lots of old people to support, rich countries will “get hooked on” the migrants’ labor and especially on the taxes they pay into retiree health and pension funds. And if, as critics fear, the migrants stay, then yes, Pritchett does believe the U.S. could eventually swallow 300 million of the global poor. “It’s a big, empty country,” he says.

With more access to global labor markets, Pritchett predicts some poor countries will develop quickly while others, like Zambia, will depopulate into giant ghost towns as the world grows comfortable with higher levels of permanent migration. Eventually — over a century, say — the combination of population adjustments and policy innovation will raise the living standards of most poor countries to that of the West without pulling the West down, just as the rise of the Japanese has not meant the fall of Americans. The labor forces of the West are shrinking, which, he says, should keep wages high despite increased migration. Whether or not his forecasts are correct — the track record of his field is not reassuring — he has pondered the economics.

But the greatest risk posed by the Pritchett plan is cultural conflict, or even conflagration, which Pritchett greets with a shrug. “I don’t think about it a lot because I’m an economist,” he says. “If you say your culture can’t survive an influx of migrants, you have a pretty dim view of your culture.” Cultures change all the time, he figures, and change is not to be feared. A century hence, nations will still exist, but in a more ecumenical way. Germans will accept Turkish mosques, and Turkey will accept Christian spires, and everyone will be free to come and go as long as they obey the law. Here he sounds less like Adam Smith than Rodney King: “Can’t we all just get along?”

So far, in the U.S., at least, the answer has been yes: acculturation has triumphed in every generation, despite the doubters. But Pritchett envisions cultural blending on an unprecedented scale, across societies much less skillful at it. Israel and Palestine, Hutu and Tutsi, Bosnian and Serb — the world is not exactly galloping away from the ethnic and nationalist identities that he finds anachronistic. With an Ellis Island heart in a sleeper-cell age, Pritchett is reluctant to consider the possibility that the interests of the West and its would-be migrants could diverge. “If you say you believe in open borders, you sound like a lunatic — I’m aware of that,” he says. “I’m saying let’s start slow and let what’s already happening happen in a managed way. A hundred years is a long time. We can work it out.”

On his last day in rural Nepal, Pritchett hiked down a parched canyon to find another group of earnest villagers awaiting him with a report. Along with buying 55 goats, the Chaurmuni group planted 182

trees and built two toilets. Everything about the gathering seemed familiar, except the group's chairman — Gure Sarki — whose shirt had such gaping holes they bared his shoulders to the sun. He wore a black knit cap yet shivered in the heat, and a boil-like growth the size of an egg rose from his forehead. For all his striking need, he was ruggedly handsome, as if the great Karmic wheel had reincarnated [Clint Eastwood](#) as a Nepali goat farmer. Pritchett and I spent the morning at his house.

Sarki, 52, is an Untouchable whose family had lived in Chaurmuni for at least 100 years. Chronically hungry in his early 20s, he walked nine days to an Indian border town with road-building work. He stayed three years and bought a little land, but returned home after his father's death at his grieving mother's request. Sarki's half-acre inheritance was too small to feed his children, so he worked for others when he could and borrowed when he had to at the village interest rate of 36 percent. He pointed to a reedy teenage son and boasted that he fed him three daily meals. "I would like to eat three times a day, but I am feeding the children," he said. (Pritchett, wincing, whispered, "I'm almost certain this boy is malnourished.") On one level, the story confirmed Pritchett's view: migration, even to India, had helped Sarki more than anything else. But he did not leave again. "I like this place," he said. "I have brothers and sisters here." Staying or going — each involved pain.

A low-caste, underfed goat farmer, in a place with per capita income of \$90 a year, Sarki is global inequality corporealized. He has never seen a bathtub. He has never been to a dentist. He has never owned a pair of glasses and squints to see his feet. He said the boil on his head has been there 30 years, and he did not know what caused it. When I told him the average American lived on about two million rupees a year, \$25,000, he laughed as if hearing a fable. "That is like a story to us," he said. He thanked us for coming and asked how to do better. Pritchett stammered. "What can you say, Be born in America?" he said to me. Then speaking through a translator, Pritchett assured Sarki that few Americans could manage with so little. Sarki smiled.

The jeep was quiet as we drove away, as if the sheer abjectness of Sarki's poverty negated the meaning of anything that could be said about it. When we paused at a teahouse an hour later, I asked why Americans should care — so what if there are destitute goat farmers on the other side of the world? "I dislike arguments that try to give self-interested explanations: 'We should care because they'll become terrorists,'" Pritchett said. "I think we should care just because they're human beings. The arc of human history has been the broadening of the scope of moral concern."

Just then the power grid failed, leaving Pritchett in the dark as he recalled a college graduation speech — his wife's — that urged classmates to meet the gazes of beggars. "The poverty of the poor is so desperate, it creates a situation that most of us are incapable of looking in the eye," he said. "You don't want to realize they're human beings just like you." Rich countries have jobs. Poor people need work. In Pritchett's proudly eccentric view, to dwell on anything else is to blink and turn away.

Jason DeParle, a senior writer for The Times, last wrote for the magazine about labor migration from the Philippines.