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MANAGING LABOUR MIGRATION: PROFESSIONALS, GUEST WORKERS AND RECRUITERS*

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ABSTRACT

The world's 90 million migrant workers are almost three percent of the three-billion strong global labour force, and their experiences outside their countries of birth or citizenship range from red carpet welcomes for some computer programmers and nurses to red card removals of some unskilled workers. The policy of welcoming the skilled and rotating unskilled has spread to most of the industrial democracies. If it persists, differences between nation states may widen as irregular migration increases. To avoid this, industrial countries welcoming professionals could provide human capital replenishment to their countries of origin and add economic mechanisms to guest worker programs to reduce employer distortion and migrant dependence. Both sending and receiving countries must carefully monitor the activities of recruiters, keystones of the evolving migration industry that profits from helping people cross national borders.

A. Introduction

The United Nations Population Division defines international migrants as persons outside their country of birth or citizenship for 12 months or more. In a world of about 200 sovereign nation states, each of which issues passports and regulates who can cross its borders and stay, there were an estimated 175 million migrants in 2000, including 110 million or 63 percent in what the UN calls “more developed” regions, which include Europe and North America, Australia/New Zealand, Japan, and the ex-USSR “where it is presented as a separate area.” Since 1960, the share of the world’s migrants in more developed countries has risen, largely because of immigration and slow population growth in more developed countries, not because significant numbers of developing countries were relabeled developed.

Table 1. International Migrants and Global Population, 1960-2000

	International Migrants, mid-year				
	World	More Developed	Less Developed	More Dev	Less Dev
1960	75,900,698	32,084,671	43,816,027	42%	58%
1970	81,527,177	38,282,819	43,244,358	47%	53%
1980	99,783,096	47,726,643	52,056,453	48%	52%
1990	154,005,048	89,655,849	64,349,199	58%	42%
2000	174,933,814	110,291,047	64,642,767	63%	37%

	Global Population, mid-year, (000)					**Migrant share**		
	World	More Developed	Less Developed	More Dev	Less Dev	Global Pop	More Dev	Less Dev
1960	3,021,475	949,622	2,071,853	31%	69%	2.5%	3.4%	2.1%
1970	3,692,492	1,053,054	2,639,438	29%	71%	2.2%	3.6%	1.6%
1980	4,434,682	1,138,630	3,296,051	26%	74%	2.3%	4.2%	1.6%
1990	5,263,593	1,215,803	4,047,789	23%	77%	2.9%	7.4%	1.6%
2000	6,070,581	1,266,608	4,803,973	21%	79%	2.9%	8.7%	1.3%

Is the number of migrants too many, too few, or just right? Those who think there are too many migrants note that, if the world’s 175 million migrants were gathered in one “nation,” it would be the sixth most populous: the ranking would be China, India, US, Indonesia, Brazil, **Migrant Nation**, Russia and Pakistan. If the 110 million migrants in more developed countries were considered one nation, it would be the fourth most populous: US, Russia, Japan, **Migrant Nation**, Germany**.** Low birth rates and almost daily stories of migrants dying as they try to walk across the Arizona desert into the US or cross the Mediterranean to Spain or Italy means that we live an age of mass migration (Castles and Miller). Most migrants are moving from developing countries in Africa, Asia and Latin America to North America and Europe, but there are also significant labour flows between poorer and richer developing countries, as into Malaysia, South Africa and Costa Rica from nearby countries.

The number of migrants rose in response to the fall of Communism and wars that led to the creation of new nation states, globalization and closer economic integration between countries, and in the aftermath of oil price hikes and the Asian economic miracle.[1] Many recent migration flows were unanticipated, and many receiving countries assumed that their “need for” migrant workers would be

[1] The UN migrant estimate for 1990 was raised from 120 million to 154 million in 2002, largely to reflect the break-up of the ex-USSR, which increased the number of migrants as people crossed borders, e.g. Russians returning to Russia, and added to the stock of migrants even with no movement, e.g. Russians who became foreigners in the newly independent Baltic states. Some sources put the number of international migrants at 145 million, and add 30 million for the ex-USSR.

short-lived. This has generally not been the case. In most countries receiving migrants, their number is at or near all-time highs with no "natural" end to migration in sight.

Migration is as old as humankind wandering in search of food, but international migration over regulated national borders is a largely 20th century development (Torpey). Long-distance international migration is the rarest type of movement due to inertia, controls, and hopes for improvement and opportunity at home. Inertia, the number one form of migration control, reflects the simple truth that most people do not want to move away from family and friends. Second, governments have significant capacity to regulate migration, and they do, requiring passports and visas from visitors and establishing border and interior controls to determine who enters and remains. Third, historical experience, such as European migration to the Americas as well as the contemporary experience of, inter alia, Ireland, Italy, Spain, and South Korea, demonstrates that the migration transition can turn a country from an emigration to an immigration area within decades.

Migration responds to differences, and there are two major categories of differences that prompt people to move: economic and non-economic (Massey, et al). The factors that encourage an individual to cross borders are usually grouped into three categories: demand-pull in destination areas, supply-push in origin areas, and network factors that link them. This framework makes it possible to distinguish economic migrants encouraged to migrate because of recruitment from noneconomic migrants who cross borders to join family members settled abroad. A person in rural Mexico may be recruited to work in US agriculture, [2] a demand-pull factor, and may not have a job at home, a supply-push factor. Networks or links over borders help migrants to cross borders, as when a potential migrant obtains information about US jobs and wages from a migrant abroad, decides to migrate and, once in the US, stays with the family members who financed the trip and who will help him to get a job.

Table 2. Determinants of Migration

Factors Encouraging an Individual to Migrate

Type of Migrant	Demand-Pull	Supply-Push	Network/Other
Economic	Labor recruitment, e.g. guest workers	Un- or under-employment; low wages; e.g., farmers whose crops fail	Job and wage information flows; e.g., sons following fathers
Non-Economic	Family unification; e.g., family members join spouse	Flee war and persecution; e.g., displaced persons and refugees/asylum seekers	Communications; transportation; Assistance organizations; Desire for new experience/adventure

These examples are illustrative. Individuals contemplating migration may be encouraged to move by all three factors. The importance of pull, push, and network factors can change over time.

The three types of factors encouraging migration do not usually have equal weights in migration decisions, and the importance of each factor can change over time. Generally, demand-pull and supply-push factors are strongest at the beginnings of a migration flow, and network factors become more important as migration streams mature. This means that the first guest workers tend to be recruited, but

[2]Both historically and today middleman recruiters and transporters have been involved in the migration process. Today, these understudied middlemen--who might be considered as arbitrageurs of differences between international labour markets-- play a growing role in facilitating legal and unauthorized labour migration, extracting a fee from migrant workers or their employers equivalent to 25 to 100 percent of what the migrants will earn in their first year abroad.

after some migrants return, network factors can become more important in sustaining migration. Once networks mature, the classic economic migration decision model in which migrants have a sure income at home and an uncertain income abroad (Todaro) can be reversed, and the prospect of a steady job abroad can be preferred to an uncertain income from local farming at home.

Family unification is the most important non economic factor encouraging migration. The migration literature often uses nautical metaphors, discussing pioneers who become anchor migrants and produce follow-on chain migration. Most European countries allow family unification for legal foreign residents after a year of employment and proof that they can support arriving family members. The US, by contrast, has a complex family unification system that on the one hand has a broader concept of family, allowing grandparents as well as adult sons and daughters and adult brothers and sisters of US citizen residents to obtain immigrant visas, but on the other hand limits the number of such visas so that the wait for extended family immigration visas can be, in extreme cases, a decade or more.

International migration is a result of differences that make one place more attractive than another. The three major differences between countries that prompt international migration involve demographics, economics and security. Differences in all three areas are widening, and demographic trends provide an example. The world's population reached 6 billion in October 1999, and continues to grow by 1.4 percent or 85 million a year, with 97 percent of global population growth in developing countries.[3] Population density varies, but is higher in developing than in developed countries—51 persons per square kilometer in low and middle income countries, versus 29 in the high income countries. Will people move from more densely to less densely populated places in the 21st century, much as the 19th century was marked by migration from more densely populated Europe to the Americas and Oceania?

A comparison of the demographic evolution of Europe and Africa is instructive. In 1800, Europe had about 20 percent of world's one billion people and Africa 8 percent. In 2000, the populations of these two continents were almost equal--Europe had 728 million residents and Africa 800 million, giving each continent 12 to 13 percent of the world's population. If current trends continue, the populations of Europe and Africa will diverge. Europe is projected to shrink to 660 million by 2050, or 7 percent of the world's 9 billion residents, while Africa is projected to expand to 1.8 billion, 20 percent of the world's residents. If history repeats itself, there could be migration from demographically expanding Africa to other parts of the world.

Economic differences between countries are widening, encouraging migration over national borders for higher incomes and jobs. The world's GDP was $30 trillion in 2000, making the average value of goods and services produced $5,000 per person per year. There was significant variation in GDP per person, from $100 per year in Ethiopia to $38,000 in Switzerland, a 1 to 380 gap. When countries are grouped by their per capita GDPs, the gap between high-income countries, with $9,300 or more per person per year, versus low (below $750) and middle income countries (between $750 and $9,300) has been widening, with few low and middle income countries climbing into the high-income ranks.[4] In 1975, per capita GDPs in the high-income countries were 41 times greater than those in low-income countries, and 8 times greater than in middle-income countries. By 2000, high-income countries had per capita GDPs that were 66 times those in low-income countries and 14 times those in middle-income countries.

[3] The average woman in developing countries has 3.5 children (excluding China), versus 1.5 children per woman in developed countries. According to the Population Reference Bureau (www.prb.org), the world's fastest growing population is in Gaza, where the population growth rate is 4.5 percent a year, and the fastest shrinking population is in Russia, where the population is declining by 0.5 percent a year.
[4] For example, Portugal and South Korea moved from middle- to high-income between 1985 and 1995, while Zimbabwe and Mauritania moved from middle- to low-income status.

A second dimension to increasing economic differences adds to international migration pressures. The world's labour force was 3 billion in 2000, and included 400 million workers in the high-income countries and 2.6 billion in the lower income countries. In lower income countries, almost half of the work force was employed in agriculture, usually as small farmers who are often taxed despite lower than average incomes.[5] The resulting farm-nonfarm income gaps encourage rural-urban migration, helping to explain why the urban share of the population in low and middle income countries rose from 32 to 42 percent between 1980 and 2000.

Many industrial countries had a "Great Migration" off the land in the 1950s and 1960s, and similar "Great Migrations" are underway in many emigration countries today, including China, Mexico, and Turkey. This rural-urban migration has three implications for international labour migration. First, ex-farmers everywhere are most likely to accept so-called 3-D (dirty, dangerous, difficult) jobs, either inside their countries or abroad, as is evident in Chinese coastal cities, where internal rural-urban migrants fill 3-D jobs, and abroad, where Chinese migrants are employed in industries ranging from services to sweatshops. Second, farmers leaving agriculture often make physical as well as cultural transitions in moving to cities, and many are willing to go overseas if recruitment or a migration infrastructure helps them to cross borders. Third, if rural-urban migrants move to cities within their countries, they get one step closer to the country's exits, since it is usually easiest to obtain visas and documents for legal migration in the cities or to make arrangements for illegal migration.

Security and human rights differences add to migration pressures. After the global conflict between capitalism and communism ended in the early 1990s, local conflicts erupted in many areas, leading to separatist movements, new nations, and more migrants, as in ex-Yugoslavia and the ex-USSR. Creating new nations is almost always accompanied by migration, as populations are reshuffled so that the "right" people are inside the "right" borders. Governments sometimes sent migrants to areas with separatist feelings or movements, so that if the area later breaks away and forms a new nation, these migrants and their descendants can become "foreigners" without moving (again), as with Russians who were sent to the Baltics or Indonesians sent to East Timor. The growth of nation states creates more borders to cross. There were 191 generally recognized nation-states in 2000,[6] up from 43 in 1900; the number of nation states has increased much faster than the number of regional agreements that permit freedom of movement within them, as within the European Union.

Differences encourage migration, but it takes networks or links to encourage and allow people to cross borders. Migration networks are a broad concept, and include factors that enable people to learn about opportunities abroad as well as the migration infrastructure of brokers and transporters that enables migrants to cross national borders and remain abroad (Massey, et al; Waldinger and Lichter). Migration networks have been shaped and strengthened by three major revolutions in the past half century: in communications, transportation, and rights. The communications revolution helps potential migrants to learn about opportunities abroad, with the best information coming from friends and family who can provide information in an easily understood context. However, people in developing countries are often primed to migrate by movies and TV shows that portray wealth and opportunity in high-income countries, which is one reason shows such as Dallas and Dynasty may encourage migration.[7]

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[5] Taxes are extracted from agriculture via monopoly input suppliers who sell seeds or fertilizers at high prices or via monopoly purchasers of farm commodities who buy from farmers at less-than-world prices and pocket the difference when the coffee or cocoa is exported. In the high-income countries, farmers' incomes are generally higher than those of non-farmers, in part because high-income countries transfer funds to producers of food and fiber.

[6] The CIA factbook lists 191 "independent states", plus 1 "other" (Taiwan), and 6 miscellaneous entities, including Gaza Strip, West Bank, and Western Sahara. (www.cia.gov/cia/publications/factbook/index.html,).

[7] Even if migrants know that movies and TV shows portray exaggerated lifestyles, some of the migrants who find themselves in slave-like conditions abroad sometimes say that they did not believe that things in rich countries could be "that bad."

The transportation revolution highlights the declining cost of long-distance travel. British migrants unable to pay passage to the colonies in the 18th century often indentured themselves, signing contracts that obliged them to work for four to six years for whoever met the ship and paid the captain for their one-way transportation. Transportation costs today are far less, typically less than $2,500 to travel anywhere in the world legally, and $1,000 to $20,000 for unauthorized migration, and most studies suggest faster payback times, usually within two or three years (Kwong,; Kyle and Koslowski).

The rights revolution refers to the spread of individual rights and entitlements that allow foreigners to stay in the countries they reach. Many governments have ratified United Nations, International Labor Organization, and other conventions that commit them to guarantee basic human rights to all persons within their borders, including due process and emergency health care, and to ensure that migrant workers and treatment in the labour market regardless of legal status receive equal pay. Many countries provide housing and food to foreigners awaiting decisions both on their applications for asylum and the results of appeals of negative decisions.

There is little that countries experiencing "unwanted immigration" can do in the short-term about the demographic and economic differences that promote migration, and they have little power or desire to reverse the communications and transportation revolutions that, as a byproduct of connecting people in the global village, inform migrants about opportunities abroad and make it easier and cheaper for them to migrate. Governments create and enforce rights, and the default policy instrument to manage migration has been new or modified laws that restrict the rights of migrants. Two examples highlight the trend. In the mid-1990s, the US government restricted the access of migrants to social assistance programs, while many European countries restricted the access of foreigners to their asylum systems. The challenge and opportunity is to find ways to manage labour migration with economic instruments that influence the behavior of employers and migrants and thus provide an alternative to government efforts to rely on adjusting the rights of migrants to manage migration.

B. Highly Skilled Migrants

Professionals are those with at least a college/university degree, which means that their number cannot be increased quickly unless trained workers who are not employed are induced to rejoin the occupation, such as nurses who are not working or working but not as nurses.[8] Alternatively, professionals can be imported, which is what many most industrial countries did during the 1990s in response to the internet-related economic boom and rising demands for health care workers.

There are no reliable data on how many of the world's workers have professional credentials, nor how many of those with professional credentials are migrants. Some 110 million of the world's 175 million migrants were in the more developed countries in 2000. [9] In industrial countries, half of their population is in the labour force. If migrants have labour force participation rates similar to native-born workers, there were 55 million migrant workers in more developed countries,[10] including migrants from

[8] Some studies are restricted to a subset of PTKs, often scientists and engineers, also known as HRST, or human resources devoted to science and technology (OECD, 2002).

[9] During the 1990s, the number of migrants in more developed countries rose by 23 million or 28 percent, and immigration accounted for two-thirds of industrial country population growth.

[10] Migrants tend to be younger than other local residents, and thus may have higher-than-average labour force participation rates (LFPRs). In the US, for example, about 20 million of the 34 million foreign-born residents, almost 60 percent, were in the labour force in 2002. These foreign-born workers included immigrants, temporary workers, and an unknown number of unauthorized workers. One reason for this more than 50 percent LFPR is that the children of migrants born in the US are US citizens.

other developed as well as developing countries-- perhaps 70 percent or 40 million were from developing countries.

How many developing country migrants are professionals? The general rule is that the more difficult it is to immigrate, the higher the percentage of professionals among the migrants. About 20 percent of workers in developed countries are professionals, suggesting 93 million among the 470 million developed country workers in 2003. If 20 percent of migrants from developing countries in industrial countries are professionals, there would be 8 million, meaning that migrants were 9 percent of the stock of industrial country professionals.

There are no estimates of the stock of professionals among the 2.5 billion workers in developing countries.[11] If professionals were 4 percent of developing country work forces, there would be 101 million, and professional migrants would be equivalent to 9 percent of the stock. Alternatively, if professionals were 2 percent of developing country work forces, developing countries have 50 million professionals, and professional migrants would be equivalent to 16 percent of the stock. Both estimates suggest a far higher share of developing country professionals in industrial countries than of other workers.

Table 3. Global Labor Force: 1980, 2001, 2010

Global Labor Force: 1980, 2001, 2010							
	Population 15-64 (mils)		Labor Force(mils)			Average annual growth rate	
	1980	2001	1980	2001	2010	1980-01	2001-10
World	2,600	3,882	2,036	2,983	3,377	1.8	1.4
Developing Countries	2,071	3,240	1,662	2,517	2,894	2	1.6
Professionals-4%			66	101	116		
Professionals-2%			33	50	58		
High-income Countries	529	642	373	467	483	1.1	0.4
Professionals-20%		75	93		97		

Source: World Bank. 2003. World Development Indicators, p44

For PTK estimates, see text

It is very hard to estimate migrant stocks and flows by skill level. Carrington and Detragiache[12] considered those with 13 or more years of schooling to be skilled or highly skilled, and used 1990 US Census of Population data to compare the foreign-born 25 and older with adults still living in the 61 developing countries from which they came.[13] Half of the foreigners in OECD countries in 1990 were in the US, and Carrington and Detragiache assumed that the characteristics of foreign-born US residents were the same as in other OECD countries, so that the educational distribution of South African-born US residents was assumed to apply to South African-born UK residents as well.[14]

[11] In this global labour force, average years of schooling was 6.4; 7.2 for men and 5.2 for women.

[12] The actual "mapping" between years of education recorded on the US Census and the Barro-Lee grouping was as follows: less than 9 years corresponded to no or primary schooling, 9-12 years corresponded to secondary schooling, and 13 or more years corresponded to high school graduates and beyond. In the US there are many adults who would be classified in the 9-12 category of the US Census, and the high school graduate category in Barro-Lee (p12).

[13] Note that other studies consider professionals to be those with 16 or more years of schooling, not 13 or more years as in Carrington and Detragiache.

[14] The data cannot say where the person obtained the education, and do not record the legal status of the foreigner, who may be an immigrant or a graduate student, although Carrington and Detragiache tried to subtract out graduate students.

The result was two measures of professional emigration: educational selectivity and cumulative loss. Educational selectivity measures the professional share of migrants from a country, for example, 75 percent of adult Indian-born US residents in 1990 had 13+ years of schooling, as did 60 percent of the Egyptian-, Ghanaian-, and South African-born US residents, 40 percent of Jamaican-born US residents, and 13 percent of Mexican-born US residents. Cumulative loss is the share of migrants with 13+ years of schooling from a particular country who are abroad, and was highest for Jamaica, Guyana and Trinidad and Tobago, countries with more professionals abroad than at home. Africa had the highest cumulative loss—a third of African-born professionals are believed to be abroad (World Bank 2000, 39; IOM, 2001).

Migrant professionals raise incomes and growth rates in destination countries in three major ways. First, they can fill vacant jobs until more local workers are trained in boom sectors such as Information Technology, increasing employment, production and GDP. Second, they can add to the labour supply and help to hold down wage increases, especially in labour-intensive services such as health care and education. Third, they can increase productivity in strategic sectors by fostering diverse work teams, which may boost the rate of innovation as people with different backgrounds and perspectives work together to solve problems.

However, the departure of professionals can slow growth in developing countries. In neoclassical economic growth models, the outflow of any labour, unskilled or skilled, can slow economic growth, and with human capital scarce, the departure of professionals can be especially damaging (Straubhaar). Most studies confirm that lower levels of education are associated with slower productivity and economic growth across countries, in part because the loss of human capital can make a country less attractive to local and foreign investors.[15]

It is hard to measure the effects of professional emigration, which is one reason why brain drain studies often revert to overall evaluations of migration. Ellerman distinguished “internationalists” from “nationalists” in migration evaluations. Internationalists assert that voluntary migration from poorer to richer places leads to higher incomes for migrants and more economic output, and such migration is economically beneficial in a global sense even if countries of origin are worse off. Nationalists, by contrast, treat countries as the fundamental unit of analysis, and assert that a country’s economic growth could in some cases be fostered by limiting professional emigration.

The impacts of professional emigrants on countries of origin depend largely on the three R’s: recruitment, remittances, and returns. Recruitment is shaped by receiving country employers and policies, but individuals in developing countries decide whether to emigrate, how much to remit, and whether to return. The impacts flowing through these channels can be framed by virtuous and vicious circle extremes, as exemplified by Indian IT workers and African health care workers. The emigration of Indian IT professionals set in motion virtuous circles that led to new industries and jobs and improved the quality of IT services throughout India, suggesting that non-migrants also benefited. On the other hand, the emigration of African doctors and nurses has in some cases led to worse health care in rural areas, limiting the availability of capable workers and discouraging investment. Virtuous circles appear most likely if migrants are abroad for only a short time, they remit significant funds, and they return with new skills and links to industrial countries. Vicious circles can be the outcome if migrants flee what they believe to be a sinking ship and cut ties to their countries of origin.

Moving professionals from a developing to a developed country benefits the employers who hire them, the professionals who move, and generally the society in which they work. However, migrant countries of origin may lose important keys to economic development. Three policies can help to promote

[15] Barro and Sala-I-Martin (1995) used data from 111 countries to conclude that a work force with an average one more year of education was 5 to 15 percent more productive than work forces in countries that had, on average, less education.

virtuous rather than vicious circles: having sending countries maintain links to their "stored brainpower" abroad, having receiving countries provide human capital replenishment, and re-examining the content and financing of education in countries sending professionals abroad.

First, developing countries often face a dilemma with professionals. On the one hand, a strong human resource base may be needed to achieve an economic take off, but it is often hard for graduates to find good jobs locally, which is why many emigrate. Governments that maintain links to their Diasporas can keep them informed of developments at home and welcome their return, which can induce at least some to come back. Second, developed countries could provide Human Capital Replenishment Assistance (HCRA) equivalent to the usual cost of recruitment, 5 to 10 percent of first year earnings. Under such an HCRA program, a country accepting 1,000 nurses or IT engineers earning an average $40,000 a year or a total $40 million would provide an additional $2 to $4 million to migrant countries of origin. These professionals could, under ideal circumstances, move under the auspices of existing Employment Services that match workers with jobs, eliminating private recruiters.

Third, developing countries may have to rethink current restrictions on the private provision of higher education. The experience of India, the Philippines, and other countries demonstrates that the private sector can quickly develop institutions and financing mechanisms that realistically assess the likely domestic and foreign return on nursing, IT, and other professional credentials. Instead of banning private higher education institutions, as many African countries do, developing countries could foster and regulate private sector higher education institutions and thus develop an education sector more closely attuned to local and foreign labour market needs.

C. Guest Workers

Guest worker programs aim to add workers temporarily to the labour force, not settlers to the population. Whether guest workers fill year-round or seasonal jobs, they are expected to rotate in and out of the country in a revolving door fashion, departing after a year or two to be replaced by a new migrant eager for higher wages if there is still a demand for them.

The major change in guest worker programs over the past quarter century is the shift from macro to micro. Instead of one program and one set of rules for admitting foreign workers, most countries today have several programs, each with its own rules on entries and stay. As a result, employers have gained more power in determining foreign worker entries, and the link between guest worker admissions and unemployment has weakened, as in US counties that have double digit unemployment rates and foreign farm workers.

During the heyday of macro guest worker programs in Europe in the 1960s, several thousand migrant workers a day arrived to work on French and German construction sites and factories. Recruitment was halted in 1973-74, when there was still a close relationship between the number of foreigners in a country and migrant employment. For example, in 1972-73, two-thirds of foreign residents in Germany were employed. A decade later, only a third of foreign residents were employed, and today a quarter of the foreign residents, but half of the Germans, are employed.

This divergence between the number of foreign residents and the number of employed foreign workers has become a powerful argument against new macro guest worker programs. In most European countries, employment rates are much higher for natives and EU foreigners than for non-European Union foreigners, especially in the younger age groups. For example, adding 100 EU men increased employment by 86 in 2000, while adding 100 non-EU men increased employment by 73. The employment gap was even larger for women. There are debates about the reasons for these gaps, with language, nonrecognition of credentials, and discrimination often cited, but as long as they persist, it is likely to be hard to relaunch macro guest worker programs.

Table 4. Non-EU Foreigners in the EU: Employment and Unemployment, 2000

Non-EU Foreigners: Employment and Unemployment, 2000		
Employed, 25-39 (%)	Men	Women
Non-EU Foreigners	73	44
Nationals	86	68
Ratio--Non-EU/Nats	0.8	0.6
Unemployment, 25-39 (%)		
Non-EU Foreigners	15	19
Nationals	6.5	10
Ratio--Non-EU/Nats	2.3	1.9

Source: Thorogood and Winqvist, 2002, 6

Macro guest worker programs can be likened to shotguns spraying foreign workers throughout an economy, while micro programs are more comparable to rifles that aim to fill job vacancies in particular industries, occupations, and areas. Micro program admissions are less sensitive to overall economic indicators, as when nurses are imported despite a high unemployment rate. Employers often have more power in micro programs, especially as governments de-regulate labour markets and reduce the collection of labour market information.

Micro guest worker programs can be compared along two major dimensions, the requirements employers must satisfy to obtain migrants and their rights. Most programs require employers to satisfy pre-admission search-for-local-workers criteria before obtaining permission or certification to employ migrants, which usually meant searching for local workers at a government-set wage. Post-admission government checks, by contrast, permit employers to obtain visas for migrants by asserting or attesting that they need migrants and are offering the prevailing or minimum wage. Government involvement in checking on these employer promises usually waits until after migrants are at work.

Worker rights are a second comparative dimension, with the major distinction between migrants who have contracts that tie them to a particular employer and migrants who are free agents in the labour market. The US H-2 programs, for example, are certification and contractual, meaning that employers must try to recruit US workers in order to have their need for migrants verified, and the migrants are tied to the employer by a contract. The H-1B program is an attestation-contract program: employers open the border gate for foreign professionals on the basis of assertions, but migrants are tied to a particular employer by a contract.

Table 5. Employer Requirements and Worker Rights: US Programs

	Worker Rights	
Employer Requirements	*Contractual Worker*	*Free Agent Worker*
Pre-admission certification	H-2A/B unskilled	
Post-admission attestation	H-1B professionals	RAW
No employer tests	L-1 intra-company transfers; J-1 exchange visitors Nafta professionals	F-1 Students, Irregular workers

Source: see text

There are generally no labour market tests or attestations required for employers seeking intra-company transfers and exchange visitors or working holiday makers. However, some of these workers are tied to particular employers by contracts and, like other migrants with contracts, an intra-company transfer employee may lose the right to be in the country if she loses her job. However, foreign students and working holiday makers can be free agent workers for the part time work they are permitted.

Most employers dislike pre-admission certification but like contracts that tie workers to them. US farm employers, for example, resist requesting H-2A guest workers because they fear that, during required recruitment, unions will send workers that must be hired and that government agencies inspecting the housing they are required to offer migrants will find other violations. Under the farmers' proposal, which existed as the Replenishment Agricultural Worker (RAW) program between 1989 and 1993, a certain number of migrants would be admitted and confined to work in agriculture but not assigned to a particular farmer. Farm employers could hire these free-agent workers after attesting that they paid at least the minimum wage.

Employers face a trade off for between contractual and free agent guest worker programs. If there are plenty of migrants, most employers prefer free agents so they do not have to advertise for local workers and avoid government agencies making special inspections. However, if the number of migrants is limited, employers may prefer to undergo certification and be assured that they have workers tied to them. Given rising numbers of unauthorized migrants, many employers have become comfortable with certification and free agent workers.

As governments spar with employers over guest workers, it is important to remember why such programs tend to become larger and to last longer than planned. Guest worker programs tend to include "distortion" and "dependence." Distortion refers to the flexibility of labour markets, and is evident when employers make investments that assume migrants will (continue to) be available, as when farmers plant apples or oranges in remote areas that are profitable only if guest workers are admitted at minimum wages to harvest them. Dependence highlights the fact that migrants, their families and communities, and sometimes home country governments can become so accustomed to earnings from foreign jobs that irregular migration accompanies or follows recruitment.

Decisions to hire migrants and to migrate are economic decisions, and programs that see guest workers as a short-term transition need economic mechanisms to align employer and worker incentives with this transition goal. This could be accomplished isolating payroll taxes, such as those for social security and unemployment compensation, and using this 20 to 30 percent of migrant earnings to restructure work as well as to encourage returns and investment.[16] These payroll taxes could be used to

[16] Migrants can be issued unique tax-reporting numbers in order to isolate the contributions of employers and migrants.

reduce the demand for migrants over time, such as by promoting mechanization, and to encourage returns by refunding migrant contributions in the country of origin.

There are 10 to 15 million unauthorized foreign workers in industrial countries, and most are not planning to depart voluntarily. Dealing with currently unauthorized migrants and future legal migrants will require cooperation with sending countries. The usual bargain, easier to propose than to implement, is for sending countries to agree to prevent irregular migration and accept the return of unauthorized migrants while receiving countries open more immigration or guest worker channels for legal migrants. However, what is often missing in sending countries is a commitment to preventing additional irregular migration, and receiving countries often lack a commitment to enforce laws whose routine flouting encourages more irregular migrant employment, so that opening more channels can add to rather than subtract from irregular migration.

If sending-receiving country cooperation achieved a new migration management regime that minimized irregular migration, the way may be cleared to create a path from irregular to immigrant status for foreign workers who have developed equity stakes in the host country. However, as US-Mexican government interactions over the past decade demonstrate, it is not easy to negotiate an agreement that paves the way for regularization. Instead, this experience suggests that if the immigration debate is dominated by the extremes of no borders and no migrants, and with each extreme unable to achieve its goals, the status quo winds up being an acceptable second-best solution in a polarized debate.

D. RECRUITERS

There are many institutions that help migrants to move over borders, including employers seeking migrants, public employment services that match local workers with foreign jobs, social networks such as friends and family, and private recruiters. The rising number and increased diversity of migrants has been accompanied by a declining role for direct employer recruitment and public employment services and growing roles for networks and private agents in moving workers over national borders.[17]

Within countries, matching workers and jobs is usually the responsibility of employers seeking workers and workers seeking jobs, with no-fee public and for-profit private employment services (ES) playing supplementary roles. The role of public ES agencies is generally declining in worker-job matching, and the role of private agencies is generally rising. Labor economics recognizes that job matching is a costly exercise, as employers screen applicants and workers consider alternative jobs with job-matching services often costing several months salary.[18]

Private recruiters can be visualized operating along a spectrum that has public ES agencies at one end and social networks at the other. The recruiters major assets are contracts to fill foreign jobs and knowledge of workers willing to migrate to fill them, which is why there is a tendency of recruiters to specialize in a particular type of worker and particular countries. Since recruitment is an information exchange industry, there are few barriers to entry, but lack of knowledge among migrants can prevent recruiting fees and behavior from converging.

Job-finding and worker-recruiting activities cost money, and the general trend has been for the recruitment costs involved in moving unskilled workers over borders to be shifted from employers to

[17] The networks can create "social capital," meaning that individuals with family and friends abroad can gain access to higher wages without using the services of fee-charging agents.
[18] The basic job search model imagines that each job seeker has a reservation wage, so that the duration of job search for a worker is a function of the frequency and distribution of wage offers she receives and the availability of unemployment insurance and other non-work income. The length and cost of job search depend on how often applicants receive job offers, their variance, and the cost of waiting for a better offer in terms of foregone income.

workers. Having workers pay recruitment costs runs against many ILO conventions and national laws. If they allow workers to pay recruitment fees, most countries prohibit fees of more than a month's (foreign) salary (Abella, 2004). However, migrants are often willing to pay far more, and many do.[19]

There are three broad responses to the apparent growth of abusive recruitment agents, and they closely parallel efforts to reduce the cost of remitting migrant savings over borders. In the case of remittances, governments, social partners, and NGOs in both sending and receiving countries can educate migrants about the advantages of the banking system, and provide them with the identification needed to open accounts. Second, governments can encourage competition to lower costs and thus steer migrants away from informal and toward formal transfer channels. Third, governments can regulate the remittance industry to minimize fraud and abuse of migrants.

The strategies for dealing with recruiters are similar. First, educated migrants about their rights and the roles of recruiters. Second, governments can regulate recruiters directly by requiring them to identify themselves to get licenses and post bonds that make funds available to migrants if things go wrong. Third, governments can encourage competition that may reduce costs and give migrants more options, both by inviting multinational temporary help firms to get into the recruitment business and by competing directly with private recruiters via the public Employment Service.[20]

There are fundamental differences between moving workers and moving money over borders. Workers are people whose status and goals can and often do change, which means that the migrant employment relationship may have to be re-negotiated. Economies of scale may be less important in moving migrants over borders because they are evaluating a "package" of wages, benefits, and other factors--a two-year employment package is far more complex than a $300 remittance transaction.

E. CONCLUSIONS

Migration is generally a force for individual and global betterment. Individuals moving to take advantage of higher wages and more opportunities generally benefit themselves, their host countries and sometimes the countries they left behind, as when remittances and returns hasten an economic take off. There is no basis for calculating an optimal rate of international labour migration, which means that there is no agreement on whether the current three percent of the world's residents who are migrant workers too high, too low, or just right.

There is a need for dialogue that honestly evaluates the trade offs inherent in migration, but such a dialogue must deal with a fundamental contradiction. Differences encourage migration and most international standards call for equal treatment of migrants, but the number of migrants tends to fall as rights and equality rise. This means that there is a numbers-rights trade off—the world can have more migrants, or better conditions for migrants, but probably not both. The fastest growth in migrant work forces is outside legal programs and channels, raising the question of whether governments should try to put unauthorized migrants and their jobs into established legal channels, or whether they should accept a layered labour market in which migrant numbers are higher but rights and conditions vary.

[19] Migrant willingness to pay depends primarily on the gap between wages at home and abroad, but also influenced by prospects for settlement and upward mobility abroad and the difficulty of migrating illegally (or without the help of recruiters).

[20] In the extreme, public ES agencies could be given a monopoly to move workers over borders to ensure that minimum standards and norms are followed. However, the job-matching role of ES agencies has declined in most countries, and the ILO has recognized the importance of private employment agencies in Convention181. Article 2 allows states to "prohibit…private employment agencies from operating in respect of certain categories of workers or branches of economic activity" while Article 7.1 asserts that "Private employment agencies shall not charge directly or indirectly, in whole or in part, any fees or costs to workers," although Article 7.2 allows exceptions**.**

Most worker and migrant advocates believe strongly that there can be only one labour market and one set of rights, with migrants enjoying all fundamental labour and human rights. They reject the notion of a numbers-rights trade off, as when the US AFL-CIO called for legalization for unauthorized workers and an end to the enforcement of employer sanctions laws. Most economists and many employers acknowledge the numbers-rights trade off, asserting that if wages were truly equal, there would be fewer migrant workers because trade, mechanization, or other changes would reduce the demand for them.

There is no easy way to balance the migrant numbers and rights trade off. However, in thinking about these trade offs, it is important to be mindful of the fact that the perfect can be the enemy of the good. There can be ever more theoretical rights for migrants at the same time there are more migrants in an irregular status in an underground economy. Finding the proper balance between numbers and rights is a difficult and complex challenge for migrants, employers and governments.

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