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Migrants want to come; employers are eager to have them. The economic development to which they contribute is desirable. But instead there is the perversity of present attitudes: the governments... of the supplying countries deplore the exodus. (Galbraith, 1979).

The main economic benefits of emigration are far less certain than has been maintained hitherto. They may possibly be negative in the aggregate (ILO, 1978).

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**LABOR MIGRATION AND
ECONOMIC DEVELOPMENT**

by

Philip L. Martin

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Table of Contents

	<u>Page</u>
Introduction.	1
1. Worker Migration: An Overview.	2
2. Migration and Development: Theory	5
3. Migration and Development: Reality	9
a. Recruitment	10
b. Remittances.	11
c. Returns.	13
d. Case Studies	14
(1) Turkey-Germany	15
(2) Mexico-United States.	16
4. Migration and Development: The Research Agenda.	19
Bibliography.	22
Key Informant Interview.	28

Abstract

There are 20 to 30 million "guestworkers" in the U.S., Europe, and the Middle East. These migrant workers are living and working outside their country of origin and citizenship. Migrant workers remit \$40 to \$50 billion annually to their home countries, and many migrants eventually return home with savings and skills acquired in another country's labor market. This paper asks whether such worker migrations accelerate development at home and thus reduce emigration pressures.

The practice of one nation, usually richer, "recruiting" another nation's usually poorer workers or tolerating their illegal entry is controversial in both sending and receiving nations. Controversy erupts because the mutual benefits expected to flow from guestworkers have, in practice, often turned into mutual dependence: sending nations become dependent on another country's labor market, while labor-importing nations get addicted to an ample supply of alien workers. Emigration or labor-sending nations often become frustrated when the migrant worker patterns which evolve are changed unilaterally by labor-receiving nations, especially if, e.g. workers are expelled and thus remittances decrease just when they are most needed, as when guestworkers are sent home during a recession.

Individual migrants and employers benefit from international labor markets; society-wide benefits are much less clear. The central conclusion of the vast migration and development literature is that there is no iron law which automatically translates remittances and returning migrant skills into economic development. The dilemma for most emigration nations is that the already-favored returning migrants usually require additional assistance at home if their remittances and skills are to promote job-creating economic development. This presents sending nations with a Hobson's choice: do they subsidize returning migrants and their remittances to maximize the development pay-offs from

emigration, which increases inequalities and spurs more migration, or do they assume that migrants and emigration regions are already "taken care of" by emigration and focus their development efforts elsewhere. The absence of an automatic emigration, remittance, and development link thus yields disappointment in many emigration areas that were neglected because sending country governments assumed that migration would take care of their development.

Most of the migration and development literature finds that worker migration does not resolve development dilemmas. A common suggestion is that labor-receiving nations should do more to help translate remittances and returning worker skills into development so that emigration is unnecessary. However, this is a formidable and complex task: sending and receiving nations may not agree on what, where, and how much should be done. Within receiving nations, there may be debate over who should pay for promoting enough development abroad to make migration unnecessary: if the employers who hire guestworkers must pay, they may decide not to employ guestworkers at all. The development programs which have been funded by receiving nations to promote stay-at-home development in emigration nations have been undertaken to promote the return of guestworkers who are no longer wanted in the receiving nation; such programs have not been notable successes from either sending or receiving country perspectives. The usual conclusion that labor sending and receiving nations should cooperate to manage worker migration and development in order to reduce emigration pressures fail to mention one important point: there is no example or model of such cooperation which has been successful.

Introduction

The International Migration Commission is charged with studying the conditions in Mexico and other sending countries which contribute to illegal migration to the U.S. and to suggest mutually beneficial trade and investment programs which could alleviate the conditions which spur the emigration. This charge could be interpreted to ask why any development process might cause disruptions which spur emigration, or it could be interpreted to ask how a history of migration has affected development patterns and what trade and investment programs might convert (continuing) migrant remittances and worker returns into the kind of economic development which makes emigration unnecessary. An example of the development-migration linkage is the export-oriented fresh vegetable industry in Northern Mexico which depends on migrant farmworkers from Southern Mexico. An example of the migration-development linkage is to ask why four decades of migration from and remittances to Mexico's Central Highlands has not led to the kind of economic development which makes emigration unnecessary.

This paper focuses on the migration-development linkage. It reviews the theory of how recruitment, returns, and remittances are expected to generate economic development which makes emigration unnecessary, and why these three migration "R's" have usually been a case of good intentions gone awry in practice. The paper focuses on practical programs and policies which can promote development without encouraging emigration, and concludes with a migration and development research agenda.

Most unauthorized or illegal migration has its genesis in recruitment by employers or their agents from receiving nations. This (usually legal) recruitment creates information networks and economic dependencies that soon become institutionalized, a process which yields the aphorism that migration streams are

much easier to start than to stop. For example, much of the illegal Mexican migration to the U.S. in the 1970s and 1980s can be traced to the recruitment of Bracero farmworkers in Mexico's Central Highlands from the 1940s to the 1960s. Village families prospered from the external pipeline of remittances, but this private prosperity did not often produce economic multipliers which made it rational to stay at home. Indeed, the central lesson of the recruitment-network-development studies is that recruitment gets the migration network started; the network supplies the border crossing and job information to keep it going (even illegally); and the uneven and uncertain pace of skill and remittance-induced development maintains the economic rationale for emigration (Mines, 1982).

The major question before the Commission is why development patterns have not reduced emigration pressures, and what kinds of mutually-beneficial economic programs could reduce emigration. The conclusions of this paper are mostly negative: that is, there is a long list of development patterns which did not reduce emigration pressures, and very few which did. The central policy conclusion is that there is no automatic process which converts skills and remittances into development which discourages emigration or, in other words, *lassiez-faire* policies toward emigration regions usually guarantee continuing emigration pressures (Richards and Martin).

1. Worker Migration: An Overview

Economic theory suggests that the international migration of labor is beneficial to sending and receiving nations because scarce resources (labor) are re-allocated to a more efficient or higher wage use. The standard textbook treatment of migration asserts that migration is controversial because, even though both sending and receiving countries gain, there are winners and losers in each country. In receiving countries, employers (owners of capital) and some skilled (complementary) workers

gain, while unskilled (competing) workers lose. In sending nations, employers lose and unskilled workers gain. Thus, economic theory suggests that free(er) migration is akin to free trade: it is economically desirable, and opponents of free migration are really trying to protect their narrow economic interests.

Economists have contributed little to the debate over international worker migration because the theory is so clearcut. For example, Greenwood asserts that "economists have generally taken the position that migration is beneficial to countries of emigration," although he concedes that two issues need further study: "the effects of remitted earnings on countries of emigration (and) the effects of skills learned abroad by migrants who later return to a poor country." A recently-published international economics textbook notes that opposition to labor migration mostly involves protecting economic self-interests (in labor-receiving countries), and then says that "cultural opposition" to immigrants in host nations is often used to cloak this economic protectionism. This text goes on to note that there may be legitimate concerns about admitting poor immigrants if host governments guarantee minimum levels of housing, education, and other social services to migrant workers whose skills may not enable them to earn enough to make work an attractive alternative to welfare in the host nation (Yarbrough 1988).

The economist prescription for free labor migration, for liberalizing the movement of people across borders after World War II parallel to the push for free trade, was reflected in the 1949 Migration for Employment Recommendation of the International Labor Organization:

It should be the general policy of Members (countries) ... to facilitate the international distribution of manpower and in particular the movement of manpower from countries which have a surplus to those that have a deficiency (Paragraph 4(1)).

The concept that economic growth should not be slowed in one (rich) country for lack of labor if labor could be "borrowed" from another (poor) country was soon adopted by other international organizations, such as the OEEC (now OECD) council in 1953 and the European Economic Community in 1957.

Roger Bohning's review of migration policies in the 1950s and 1960s led him to conclude that actual worker migration policies and patterns evolved in ways that maximized the benefits of worker migration to receiving nations (1979). According to Bohning, it was not until the 1973-74 "recruitment stops" throughout Northern Europe that traditional emigration nations such as Italy, Greece, and Yugoslavia asked the ILO and OECD to re-assess the benefits of worker emigration to sending nations. The major conclusion of the re-assessment studies was that the remittance and returning skills benefits of migration were far less likely to be realized in sending nations than had been assumed, and that temporary worker migration in Europe had widened rather than decreased inequalities between sending and receiving nations.

The mid-1970s re-assessment of emigration's "real" benefits to labor-exporting nations prompted calls for government-to-government agreements which would make emigration and remittances part of the sending country's development plan. For example, the 1976 ILO World Employment Conference adopted a non-binding Program of Action which recommended that recruitment be organized by bilateral and multilateral government-to-government agreements which are "based upon the economic and social needs of the countries of origin and the countries of employment." Paragraph 42 says that migrant worker agreements should "even out fluctuations in migration movements" remittances, and returns in order to make worker migration a predictable and continuous part of sending country development programs (Bohning, 1984, p. 9). This ILO recommendation was a response to the experiences of labor exporters such as Turkey, whose 1972-77 Five

Year Plan anticipated the "export" of 350,000 workers. However, the 1973-74 European-wide halt to labor recruitment meant that Turkey exported just 250,000 workers during this period (Kubat, p. 249).

International worker migration is in many instances a case of good intentions gone awry. Emigration generates important benefits in labor-exporting nations, such as relieving domestic unemployment, remittances, and obtaining a more-skilled workforce. But there are also costs to labor exporters, such as inopportune recruitment stops, inflationary remittances in good times and reduced remittances when they are needed most, and workers returning with skills for which there is no market in the sending nation. Disappointment may have been less pronounced if labor migration had not been trumpeted as a panacea for development dilemmas. A central conclusion of the migration and development literature is that it is very easy to overestimate the benefits and underestimate the costs of exporting workers.

Opponents of domestic immigration controls such as employer sanctions have suggested that a generous and interventionist U.S. foreign assistance policy might steer sending-country development in directions which reduce emigration pressures. However, few labor-importing nations have contributed enough or intervened enough to reduce emigration pressures. Morrison's review of assistance, trade, and investment policies to reduce emigration pressures suggests that the linkages between such policies and migration are small, indirect, and only felt in the long-run.

2. Migration and Development: Theory

What does economic theory have to say about how development processes affect migration pressures? There are several distinct types of theory which might illuminate migration-development linkages. The international trade literature

emphasizes the rapid growth in world trade and the resulting interdependence of industrial economies, i.e., the worldwide character of economic cycles.

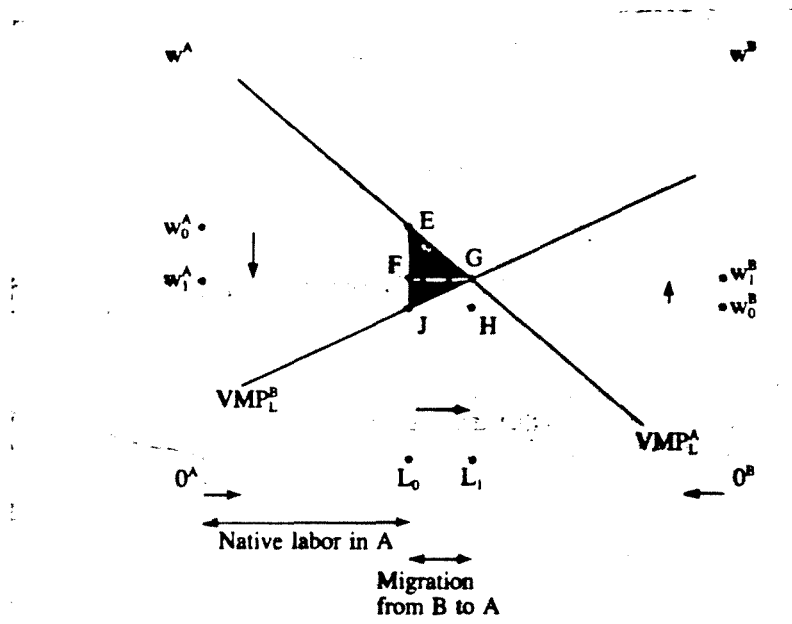
The basic international trade model suggests that countries should specialize in the production of goods for which they have abundant supplies of capital, labor, or land, so that Hong Kong should specialize in labor-intensive manufacturing and Canada in wheat production. The factor-price-equalization-theorem suggests that free trade will eventually equalize factor prices (e.g., wages) even if there is no labor migration between countries. Wages will equalize only if there are no trade barriers such as tariffs and there are no nontraded goods, such as haircuts or hotel room cleaning.

In the basic trade model, endowments or quantities of capital, labor, and land are fixed for each country, and there is no technological progress in how goods are produced. The classic economic model of inter-country labor migration can be illustrated. As labor moves from lower to higher wage countries, total economic output rises but the lower wage country loses. In Figure 1, if all workers are paid the value of their marginal product, and 0^A to L_0 represents the labor available in high wage country A, then wages are initially at level E in country A and J in country B. Free labor migration will produce an equilibrium wage of G: that is, after $L_0 - L_1$ workers move from low-wage B to high-wage A, wages in country B rise from J to G and wages in country A fall from E to G.

The total output of the two countries increases by the triangle EGJ because the labor which moves from B to A is more productive in A. However, immigration country A gains and emigration country B loses: profits in A increase as wages decrease, and profits in B decrease as wages increase. Competing workers in A lose, and workers in B gain.

Economic analysis of migration from low to high-wage areas emphasizes the net gain to total output ("the world") because workers shift from low to high wage

Figure 1



The ability of labor to move from country A to country B in response to a wage differential raises total world output by an amount represented by the area of triangle EGJ. Country A gains, while country B loses. In A capital owners gain relative to labor, and in B workers gain relative to capital owners.

(productivity) jobs. Most economic analyses attribute opposition to immigration in receiving countries to unions opposed to wage-depressing additional workers and to governments concerned about importing unskilled workers who may be tempted to forsake temporary work for a life of welfare. Sending country governments sometimes oppose emigration because they fear that brawn and brain drains may cause bottlenecks that impede their development and because the sending society may "lose" its investment in the education and training of the migrants.

Most economic analyses stop with this static analysis, which concludes that migration benefits "the world," helps individual migrants and their employers (owners of capital), but may hurt employers in sending countries and competing workers in receiving countries. The analysis does help to explain why certain employers favor and most unions oppose imported labor, but does not explain other arguments against rich countries "borrowing" poor countries labor. The other arguments in receiving countries against importing workers include the possible adverse effects of "too much" labor on technological progress, the effects of importing low-wage workers on increasing economic inequalities, and the effects of immigrants on culture and national identity, especially in societies sensitive to individual and minority group language and other differences.

Sending country opposition to emigration emanates from nationalistic frustration at not creating enough (good) jobs for citizens; from the growing inequalities across countries which result as workers move from low to high wage areas; and from accusations that remittances are "glittering coins" which do not really promote economic development. Sending country opposition to emigration is usually associated with nationalistic intellectuals who believe that richer countries discriminate against developing nations: most migrants and most finance ministers, by contrast, welcome the opportunity to generate earnings abroad. There is usually enough unemployed labor in developing nations so that the employers

who should complain about emigration-induced wage hikes do not complain, and there is often enough unemployment so that remaining competitive workers do not enjoy substantial wage hikes.

3. Migration and Development: Reality

The major effects of worker emigration on development are linked to recruitment, returns, and remittances. The theory is that un- and under-employed workers will be recruited to work abroad; the reality is that recruiting employers prefer workers who have already proven themselves by finding employment at home. As might be expected, an employer seeking auto assemblers at prevailing union wages in an industrial country can and probably prefers to attract skilled workers in the sending country, so that German autos are often assembled by Turkish mechanics or California builders have Mexican carpenters working as laborers or helpers. Skilled employees are usually in short supply in developing countries¹; if too many emigrate, developing countries can face "labor shortages" which cause their factories to be even less efficient or which slow down construction projects. Most emigration nations have 40 to 50 percent of their populations engaged in farming; there is sometimes enough recruitment of skilled workers and then secondary migration from rural to urban areas to cause farm production to decline or, in at least one instance (the Yemen Arab Republic), to abandon maintenance on terrace and irrigation systems so that restoring previous levels of food production after two decades of emigration would require massive infrastructure investments (Swanson).

¹The skilled worker wage premium is often less in developing nations than in the U.S.

a. Recruitment

Worker recruitment eventually creates networks which link cities or villages in the sending nation to labor markets in the receiving nation. These networks become valuable assets because they control access to jobs which pay 5 to 10 times prevailing wages, and potential migrant workers are willing to pay for the privilege of working at these higher wages. When emigration is organized and legal, such as under the H-2 (now H-2A) program for Jamaicans in Florida or the Filipino-Saudi Arabia program of the late 1970s, migrants sometimes pay "bribes" to government or private go-betweens in order to get on the list for a work visa. In these organized recruitment settings, official recruitment offices attract droves of potential migrants and "consultants" who act as go-betweens. If official recruitment is centralized, it spurs internal migration to the recruitment office and, since there is typically a surplus of migrant job seekers, generates a local day-labor market offering jobs to workers who are waiting to become migrants.

If recruitment is "unofficial," i.e., the emigration is private and often illegal, then the job network becomes a semi-public asset of the village whose "pioneers" are or have been working abroad. Such private-illegal networks link many U.S. farms and factories with Mexican villages, and recruitment involves an already-employed migrant informing his family and friends that the employer will hire them, telling them how to get across the border and to the worksite, helping them to arrange housing and transportation in the U.S., and often training or being responsible for the new employee in the workplace. Such networks are semi-public in the sense that migration information spreads throughout the village, so that villages in very similar economic circumstances can send very different proportions of their able-bodied male workers abroad because of their differential access to such a network.

There is no consensus on the proper migrant recruitment mechanism because there is little agreement on the proper roles of governments, employers, and

migrants. At one extreme are those who argue that international labor migration should be regulated by government-to-government agreements, and that receiving nations sensitive to the needs of sending nations should permit the sending nations to arrange recruitment so that it minimizes internal disruptions. At the other extreme are the employers who prefer to hire the best migrant workers, even if this means "creaming" the sending nation's workforce and leaving behind production bottlenecks. Much of the actual in-between discussion focuses on whether and how to regulate public and private migrant recruitment agencies, what fees or taxes can be levied on migrants and for what purpose, and what selection mechanism should be used to pick migrants (e.g., use a point system that favors an unemployed person from a poor area or take points away from potential migrants with "critically needed" skills). In practice, few sending nations have enough labor market information to operate a sophisticated emigration queue system.

Sending countries have ambiguous policies toward returns. Their general stance is that they favor the return of their "human capital," but not "right now" (this is similar to U.S. farm organizations which have favored the eventual elimination of subsidies but not "right now" since the 1930s). Sending countries are not usually in a position to encourage returns with financial incentives, so incentives to return usually begin in receiving countries. Return carrots have not induced many returns: French and German offers of lump-sum social security payments to returning migrants appear to have attracted mostly persons who were planning to return in any event.

b. Remittances

Remittances are the *raison d'être* for migration. Remittances are immediate, private, and flexible. At the macro level, remittances are a source of hard currency than can be used to purchase needed foreign components and supplies, spent locally

to generate jobs, or taxed by the sending country government. The private nature of many remittances makes it hard to calculate their exact magnitude, but remittances worldwide are estimated to be in the range of \$40 to \$50 billion annually.

Remittances clearly improve the economic welfare of individual migrants and their families. Initially, remittances provide extra money for daily living, then consumer durables, and finally funds to invest in better housing or land or a small business. Remittance levels are often maintained over time because the settlement abroad which encourages migrants to remit less is offset by their ever-higher earnings which permit migrants to remit more.

A central puzzle is why remittances so rarely promote enough development to make emigration unnecessary. A vast literature notes that many migrants spend remittances on imported consumer durables and cars, minimizing local job multipliers. Money spent on better housing has only a "one-shot" job multiplier, and there is widespread criticism of remittances used to speculate on and inflate land prices, bride prices, or housing prices. Since migrants typically come from one or several areas, remittance-induced inflation is also concentrated in these areas, making non-migrant families in these areas "worse off" because they must pay the higher prices wrought by remittance-induced inflation without remittance assistance. It is in this inflation sense that emigration increases inequalities within sending nations.

How could remittances be converted into migration-reducing development? The major lesson from emigration countries is that dispersed remittances will not automatically create self-sustaining economic activity. If remittances are to be the external pump which primes an area for an economic take-off, they need to be coordinated to provide infrastructure or sending governments must find additional funds to invest in infrastructure. This lack of infrastructure helps to explain why a visitor can drive over dusty roads to villages which have a few very nice houses

built with remittances; these houses must sometimes construct their own power supply because the rest of the village is without electricity. Without a mechanism to share remittances and construct infrastructure, emigration areas become examples to Galbraith's "private affluence and public squalor," but in this case the public squalor lack of infrastructure can squander an opportunity for development.

Remittances and development are often a case of good intentions gone awry. Remittances do make individual migrants and their families better off, but they rarely are the spark which creates enough economic activity to make emigration unnecessary. The lessons of experience seem to present sending nations with a Hobson's choice: do they assume that remittances will "take care of" emigration areas and focus their development efforts elsewhere, or do they take their limited development funds and try to use them to maximize the development payoff from remittances. The neglect strategy makes emigration areas ever more dependent on an external labor market (Mexico's Central Highlands); but the subsidize-the-remittances strategy increases regional inequalities within emigration nations.

c. Returns

Returns are the third major parameter of worker migrations. Generally, organized legal labor migrations involve employer-migrant contracts which stipulate the duration of stay abroad, while illegal labor migrations have no such announced return policies. Generally, sending and receiving governments organize or tolerate worker migrations expecting "100 percent" returns. However, there is an inevitable "leakage" into permanent residence in the receiving countries. This rate of leakage depends mostly on receiving country policies, internal controls and enforcement, and opportunities in the sending country. Saudi Arabia's employment of Korean and other Asian migrants probably stands at the minimal leakage end of the spectrum, and U.S.-Mexican or Venezuelan-Colombian

migration probably stands near the other end. The European nations are somewhere in the middle: they initially enforced the rotation of guestworkers, but over time they tolerated the conversion of temporary workers into permanent residents. The European experience is the source of the aphorism that "there is nothing more permanent than temporary workers," a reference to employer addiction to imported workers and the tendency in an industrial democracy to gradually break down the barriers which encouraged migrant returns in order to avoid the development of a class of helots.

d. Case Studies

There are several candidates for "case study" analysis of migration and development, such as Turkey-Germany, Algeria-France, and Mexico-United States. In each case, there was a substantial migration of workers to one receiving nation over a long period which coincided with uneven economic development in the sending nation.

The Turkey-Germany case provides an interesting contrast to the Mexican-U.S. case. In both cases, workers were recruited in the postwar period to be non-immigrant or temporary guestworkers. However, the Turkish government has long favored exporting workers, even incorporating the probable German demand for labor in its five year economic plan, while the Mexican government tolerates but deplores the exodus of manpower. Turkish workers and villages do not seem to have developed networks which keep workers moving (illegally) after official recruitment has stopped, while Mexican workers and villages have developed very sophisticated networks which bring workers to the U.S. illegally. Finally, the Turkish and Mexican governments have responded differently to attempts by Germany and the United States to limit access to their labor markets: Turkey adopted free market policies and emphasized export-led growth in the early 1980s,

the EEC trade, migration, and assistance issue several times since, e.g. shortly before Greece's 1981 entry into the EEC, Turkey pressed for a re-affirmation of the 1963 free migration agreement and \$8 billion in foreign assistance, but settled for improved migrant worker rights and a much smaller aid package. The 1980 EEC-Turkish migration agreement permitted Turks who had at least one year's experience with and EEC employer to extend their work permits with the same employers; workers with three years experience could get work permit extensions if they changed employers within the same industry; and workers with at least four years employment in the EEC were given free access to the EEC labor market.

Turks did not receive free access to the EEC labor market as scheduled in 1986, but in 1987 Turkey formally applied to join the EEC. Turkey believes it must gain admission before the EEC becomes a unified market in 1993, but German fears of an "invasion" of Turkish workers and EEC fears of adding a poor (\$1,200 per capita income) agricultural and Islamic nation make Turkish entry problematic. It is not yet clear whether the migration which helped to link Turkish and EEC labor markets and economies will expedite or slow Turkey's desired entry into the EEC.

(2) Mexico-United States

Mexicans were recruited to work "temporarily" in U.S. agriculture during World War I and World War II. Both wartime recruitment periods were followed by "unanticipated" post-war recruitment and later illegal immigration to the U.S. Mexican migrants developed job and information networks (with the help of U.S. employers and their bilingual supervisors) which promoted this illegal immigration, and these networks eventually helped Mexican workers to find both urban and rural U.S. jobs.

Within Mexico, agricultural development after World War II was bimodal, meaning that the largest 3 percent of Mexico's farms produce about 80 percent of

while Mexico used its windfall oil revenues in the 1970s to expand public sector enterprises.

The Turkey-Germany case illustrates how migration pressures, once initiated by Germany, have not been abated by remittances and returns to Turkey. The Mexico-U.S. case illustrates how U.S.-fostered development has not reduced emigration pressures.

(1) Turkey-Germany

Turkey is a nation of 51 million with about 2.3 million persons abroad, 2/3 in Germany. Mexico has 82 million people; about 2.2 million persons born in Mexico lived in the United States in 1980, and the Mexican ancestry population was about 8 million. The U.S. population of about 244 million is four times the German population of 61 million, so the proportion of Turks in Germany is comparable to the proportion of Mexicans in the United States. Both Mexico and Turkey have fast-growing populations; if current trends continue and Turkey joins the EEC, Turkey will replace Germany as the most populous EEC nation by 2000.

Organized Turkish labor emigration began with an October 1961 German-Turkish agreement. Before this period of recruitment, Turks had not participated in postwar European labor migration. Initial Turkish labor flows to Germany were small (e.g., 1,200 were recruited in 1962), but the number soon swelled to 66,000 in 1964, 130,000 in 1970, and then peaked at 136,000 in 1973. Between 1961 and 1975, about 805,000 Turks were recruited to work in Germany, and in 1975, there were 523,000 Turkish workers in Germany.

Turkey had anticipated eventual free access to the European labor market to relieve unemployment and obtain remittances. The September 1963 Ankara Agreement promised Turkey a steady lowering of EEC tariff and migration barriers, with Turks having "free access" to the EEC labor market by 1986. Turkey has raised

Mexico's farm output while the smallest 2/3 produce just 3 percent. This bimodal development is a result of the Mexican government's policy of concentrating irrigation and other subsidies in a few areas.

The Sinaloa and Baja regions in northwestern Mexico provide one illustration of migration and development linkages. During the 1960s, U.S. vegetable importers provided the capital to expand Mexico's winter vegetable industry; Mexicans received capital, seeds, and advice, and U.S. importers based in Nogales (AZ) handled the U.S. marketing of Mexican vegetables.

The Mexican winter vegetable industry expanded as affluent U.S. consumers began purchasing fresh vegetables year-round, as the Mexican farmers' skills and infrastructure improved, and as Mexico gained production cost advantages over its chief competitor, Florida. However, the migration irony is that both Sinaloa and Florida producers rely on migrant workers: the Sinaloa producers rely on internal migrants from southern Mexico, and the Florida producers rely on (illegal) Mexican migrants from Mexico's Central Highland provinces.

Has the rapid expansion of the Mexican vegetable industry reduced emigration pressures? The answer is no, for several reasons. First, most Mexican migrants to the U.S do not come from the areas from which internal migrants are recruited, that is, there appears to be rather distinct internal and international Mexican migration streams. Second, the Mexican vegetable industry creates only seasonal jobs, and thus the Mexican vegetable labor market is seen primary as "insurance" for small farmers who prefer not to migrate, i.e. if the rains in southern Mexico are good, there are fewer migrant farmworkers for northern Mexico. Finally, U.S.-Mexican wage differences remain large enough so that workers with U.S. job options do not switch from the international to the internal migration stream when such "labor shortages" occur.

Turkish workers in Germany found few Turks to help them to organize in order to deal with the German and Turkish governments. In the United States, by contrast, Chicano leaders have argued vigorously against proposals to restrict the access of Mexican workers to the U.S. labor market. Relatively few Mexican migrant workers hold leadership posts in the organizations which argue for their expanded presence and rights in the United States, and there are few organizations of Mexican workers in the United States which pressure the Mexican government. Turkish worker organizations which evolved in Germany, by contrast, tried to exert pressure on the Turkish government, e.g., collectively refusing to remit savings in the mid-1970s to put pressure on the Turkish government.

The Turkish migration experience can be summarized as one which involved large groups of workers recruited through organized channels; in which emigration became an official part of the Turkish government's economic policy; and resulted in academic literature which criticized emigration for not expediting economic development. This criticism deserves elaboration. The most comprehensive mid-1970's treatment of Turkish labor emigration found that migrants tended to be workers several rungs up from the bottom of the economic ladder, such as small farmers with land or employed semi-skilled industrial workers, not landless farmers or unskilled (and unemployed) laborers (Paine, 1974). Most recruitment occurred in the richer western parts of Turkey and, since returning migrants went home or to the western cities, regional inequalities increased. Finally, there was widespread academic criticism of how remittances were spent: instead of job-creating development, academics deplored the high fraction of remittances devoted to land and real estate speculation and imported consumer durables.

These critics may be ignoring Turkey's larger goal, which was to encourage eventual free access to European labor markets. Given the past and current

constraints on Turkish entry into the EEC, it can be argued that the links forged by worker migration will indeed hasten Turkey's eventual entry into the EEC.

4. Migration and Development: The Research Agenda

Migrant recruitment, remittances, and returns have rarely led to a job-creating economic take-off in migration areas which "naturally" reduced emigration. Instead, most emigration areas have become dependent on an external labor market for jobs and remittances, so that a common aphorism in Mexican emigration areas advises the young to work in the United States but live (enjoy life) in Mexico.

The research agenda centers on the three "R's" of recruitment, remittances, and returns. How can recruitment minimize the emigration of a developing country's best and brightest? Is it an undue interference with employer and individual rights to e.g., restrict emigration to unskilled or unemployed workers in certain regions? Should limits on immigration be established so that emigration areas do not become "overly dependent" on an external labor market and remittances? The economics of recruitment suggest that private recruitment soon becomes concentrated by skill and area; employers recruit the first migrants, and then the network takes over to supply additional migrant workers.

The major recruitment question is whether government-to-government recruitment programs are better than private arrangements. That is, if there is to be labor emigration, should it be regulated by a government-to-government arrangement in order to maximize migration's development's contributions? If the answer is yes, should recruitment regulations involve a point system to minimize disruptions, e.g., restrict recruitment to certain areas, ages, skill levels, etc.? The major question is whether there is sufficient knowledge of how migration is linked to development to write such recruitment regulations and, even if agreed to by receiving-country employers, whether they can be enforced.

The second major issue is the remittance-development linkage. Once again, the literature suggests that a *lassiez-faire* policy improves the lives of migrants and their families but does not automatically promote the kind of economic development which makes emigration unnecessary. The literature thus suggests that governments should tax or otherwise marshal a portion of migrant remittances, invest in infrastructure, and provide technical assistance to promote job-creating development.

There are many practical problems with asking labor-sending governments to channel remittances. First, most migrants will resist sharing their remittances with their governments; cynics suggest that one reason labor-sending countries prefer government-to-government recruitment agreements is to expedite the collection of exit and remittances taxes. A few countries (such as China and the Philippines) do tax away a portion of migrant earnings, but most countries (such as Turkey and Mexico) have learned that efforts to tax remittances (or failure to maintain a stable currency) wind-up keeping migrant savings in the host country. Remittances illustrate the chicken-egg problem inherent in the migration-development dilemma: the same factors which encourage emigration discourage the investments necessary for job-creating development, and government efforts to re-invigorate or re-direct investment and development by taxing or channeling remittances are viewed with suspicion by the migrants. Research is needed on better ways to channel remittances privately to promote development (e.g., pilot projects and case studies) and how to link international grants and loans with remittances to foster job-creating development.

The third "R" is returns: how can the skills of returning workers best promote job-creating development at home? The literature suggests that many migrants do not acquire skills useful at home because, e.g., they are employed in factories which use machinery not available at home. Other skills may have low at-home returns

Migration and Development Case Studies

Country	Population			Area (Sq. Miles)	Per Cap GNP 1985 (\$)
	1987 (mils)	2000 (mils)	Under 15 (percent)		
Algeria	23.5	33.7	42	919,591	2,530
Mexico	81.9	104.5	42	761,602	2,080
Turkey	51.4	65.4	36	301,382	1,130
France	55.6	57.3	21	211,208	9,550
Germany	61.0	58.4	15	95,977	10,940
U.S.	243.8	268.0	22	3,615,104	16,400

Sources: Population data is from the Population Reference Bureau;
GNP data is from the World Bank.

because they are only "well-paying" abroad, such as domestic household work, landscaping, or janitorial service work. However, there are a substantial number of migrants employed in construction, manufacturing, and service jobs which do transmit skills which could be useful at home.

The literature suggests that some migrants do acquire skills abroad that they use then they return. However, a leitmotiv in the literature is that migrants want to save money while working abroad in order to have a different job back home, so that the U.S. assembly-line migrant wants to buy a taxi or delivery truck in Mexico and not be a factory operative in Mexico. There has been discussion at the ILO and in Europe about providing "training" for soon-to-depart migrants which would be more useful in their home countries, but there seems to be little enthusiasm on the part of host nations to provide such training and on the part of migrants to participate.

What is to be done? Most studies of migration-development linkages conclude with a plea for more aid and cooperation to accelerate economic development and to curb emigration pressures. It is hard to argue with such pleas: the problem is that they do not provide models or experience for labor-sending and receiving nations can actually reduce emigration pressures.

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Key Informant Interview

Name _____ Position _____ Date _____

MIGRATION AND DEVELOPMENT: AN ASSESSMENT

1. Labor Emigration and Migrant Characteristics

- A. Migration Flows and Stocks. Tables on the annual flow of migrants, their characteristics, their destinations, and return flows; data on migrants still abroad, and on their employment and economic status.
- B. Returned Migrants: How did emigration affect them? The major focus here is on the change or mobility associated with emigration, such as earnings, residence, and occupation before emigration, while abroad, and upon return. What social changes occurred, i.e., what were family, education, and religious patterns pre-emigration, while abroad, and upon return.
- C. Migrants and Non-Migrants. Based on existing survey data and key informant interviews, what were the effects of emigration on non-migrants?

2. The Social and Economic Impacts of Emigration

- A. Emigration and Social Institutions: Education, social security, unions, and women.
- B. Emigration and Economic Policy: Labor market evolution; remittances, trade, and inflation; returns and job creation in rural and urban areas.

3. Migrants in Host Nations

- A. Migrant Workers. The recruitment phase, labor market and economic development in labor-importing nations, the recruitment stops and family unification, second and third generation integration.
- B. Economic and Labor Market Impacts. How did the availability of migrants affect host nation wage and economic growth and productivity? How did/do migrants interact with native workers in the labor market (complements/substitutes).
- C. Migrant Workers and Social Investment. How did migrant workers affect host nation housing, education, health, and social security systems?

4. Future Labor Emigration

- A. The Future Demand for Migrants. What is the likely demand in traditional host nations and labor markets and in other nations/labor markets?
- B. The Future Supply of Migrants. Given population, economic, and labor market trends, how many migrant workers are likely to want to emigrate for employment?