

## Chapter III. Liberalism and Migration

### III.I. Egalitarian Liberalism

We will start based in the liberal tradition, and specifically, in the egalitarian liberalism, which focuses on human freedoms. Paraphrasing Joseph H. Carens, liberal egalitarians are committed to equal opportunities, which means that people should be free to pursue their own projects, make their own choices about their lives, and have freedom of movement.<sup>1</sup> This freedom, the right to go where you want to go, is itself an important freedom. It is the one that makes the other ones possible, and the one that is taken away by imprisonment, restriction emigration or immigration. For that reason it is essential for equality of opportunity. In this manner, one can search for options or other possibilities. Nevertheless, the truth is that the exclusion of so many people exists, poor and desperate, so that it is hard to justify them seriously as free and equal persons. Besides, citizenship in the modern world is a lot like a feudal status in the medieval world, it is assigned at birth; for the most part it is not subject to change by individual's will and effort; and has a major effect over the opportunities of lives.<sup>2</sup> Also since the Emigration Conference in 1889 there was the concern of, "[c]onfirm the right of the individual to the fundamental liberty accorded to him by every civilized nation to come and go and dispose of his person and his destinies as he pleases."<sup>3</sup> We can find support as Philip K Lawrence points out:

[t]he key unit of liberal society is the individual; its operational logic is the social consequence of individual nature. Men collaborate with each other through their selfish desire to achieve their ends which is usually the satiation of economic appetite. The imperative of social order is dictated by the need to regulate competition so that society is orderly. Because the individual is prior to society this regulation must be minimised because too much control subverts the personal liberty which is liberalism's main value.<sup>4</sup>

For Hollifield "the rights-based liberalism goes hand-in-hand with the spread of market relations, and is closely associated with new ideas of social justice as well as individual and group entitlements."<sup>5</sup> In this way, a new conception of citizenship was born from this political discussion over rights. Paraphrasing the ideas of Hollifield, this new

---

<sup>1</sup> Joseph H. Carens, "Migration and Morality: A Liberal Egalitarian Perspective." in Brian Barryn, *Free Movement*. (Unites States: Pennsylvania State University Press, 1992), 25-26.

<sup>2</sup> Ibid, 26-27.

<sup>3</sup> Thomas Brinley, *International Migration and Economic Development*. (Italy: UNESCO, 1960), 9.

<sup>4</sup> Philip K. Lawrence, *Democracy and the Liberal State*, (Great Britain: Dartmouth Publishing Company, 1989), 59.

<sup>5</sup> F. James Hollifield, *Immigrants, Markets, and States*. (USA: Harvard University Press, 1992), 170.

conception is different from the “contractarian”, because the relationship between the individual and the state has become defined in terms of social justice and human rights rather than in contracts and consent, that is more closer to the liberal position. This new conception has helped foreigners to find new spaces, represented in different political groups.<sup>6</sup> The result is that western democracies have suffered a shift toward being more liberal states, where immigrants find themselves supported by civil rights that the state provides.

The issue over international migration has received much attention, but we can find a major split between liberal egalitarians. Some argue there must be no limitation on human movement, or almost none; others declare that states are morally entitled to admit or exclude whomever they want with only a few qualifications. We can find Joseph H. Carens’ position interesting, because it explains many things:

Liberal egalitarianism entails a deep commitment to freedom of movement as both an important liberty in itself and a prerequisite for other freedoms. Thus, the presumption is for free migration and anyone who would defend restriction faces a heavy burden of proof. Nevertheless, restrictions may sometimes be justified because they will promote liberty and equality in the long run or because they are necessary to preserve a distinct culture or way of life.[...]Freedom of movement would contribute to a reduction of political, social and economic inequalities<sup>7</sup>

Over the restrictions, the problem is how to find a coherent justification; personally, I am not in concordance. Paraphrasing Joseph Carens criteria of selection that discriminates against immigrants based on race, ethnicity, religion, sex, or sexual orientations is particularly objectionable from a liberal perspective. Only people who pose a serious threat to national security can legitimately be excluded. But when it happens that a large flow of people who come from a non liberal society, even if they do not come with any subversive intent, it can be taken as national threat. This is the question that the western democracies have today.

The answer may be that they can be tolerant as long as the institutions can support and sustain their liberties, and in this way preserve the regime. The hypothetical possibility of threat, however, is not enough. Because of this encounter, the citizens might see ethnic and cultural immigrants as a threat, fear them as competitors in the work place and perceive

---

<sup>6</sup> Ibid, 170.

<sup>7</sup> Joseph H. Carens, “Migration and Morality: A Liberal Egalitarian Perspective.” in Brian Barryn, *Free Movement*. (Unites States: Pennsylvania State University Press, 1992), 25-26.

them as economic burdens placing excessive demands upon the social welfare system.<sup>8</sup> In this way, according to Carens,

[a]t the worse, it might threaten the basic liberal democratic framework. A glance at current European politics makes it clear that this threat is all too real. In several countries, extreme right-wing parties, using veiled and not so veiled racist and neo-fascist appeals, have gained ground, primarily, it seems, by making opposition to current immigrants and future immigration a key element in their platforms. In this context, to open the borders more now might well provoke a political reaction that would quickly slam the door shut and damage other liberal egalitarian institutions and policies as well.<sup>9</sup>

From this perspective, the restriction is a never ending story and takes over liberal egalitarian institutions. The restriction on immigration would not be justified if we were attacking the persons over the liberal theory as free and equal. Moreover, no country in the general group of democratic welfare states permits either unrestricted immigration or anything like the level of immigration, which might emerge as a compromise between the basic right of free movement and the need to maintain public order.<sup>10</sup>

Another point of view that tries to justify restriction on immigration is the assumption that there is a 'brain drain' from the poorest countries to the developed ones. According to Joseph H. Carens, it "increases global inequalities because the best educated and most talented people are among the most likely to move in order to take advantage of the greater professional and economic opportunities in affluent societies."<sup>11</sup> In addition, from the poor countries the most energetic people are the ones who emigrate, therefore it implies a transfer of resources from the poor country to the affluent ones. Pravin Visaria argued that the emigration of professionals does not have an adverse effect when the situation of those professionals in their original country was of that of underemployed or unemployed; he arrives at the conclusion that their leaving must be seen as outflow rather than a brain drain,<sup>12</sup> otherwise they can return home.

He also argues that "insofar as emigration benefits both the migrants and the countries of immigration, and as the country of origin had paid a substantial part of the cost of training the migrant, a strong case could be made for levying a tax on the incomes of

---

<sup>8</sup> Ibid, 26-31.

<sup>9</sup> Ibid, 31.

<sup>10</sup> Ibid, 30-32.

<sup>11</sup> Ibid, 32.

<sup>12</sup> Reginald Appleyard, *The Impact of International Migration on Developing Countries*. (Paris: OECD, 1987), 22.

immigrants living in developed countries.”<sup>13</sup> Following this line, for example, the Romanian government “announced that in future all Romanian citizens wishing to migrate would first be required to repay the State (in foreign currency) the cost of their education from secondary to post-graduate level.”<sup>14</sup> This taxation suggestion implies an emigration restriction and supposes strong control by the state over individual freedom. Brain drain or skill drain is controversial because it implies a selectivity of migration, and it can create a drain on particular parts of a country and specific sectors.

Searching reasons why restriction on immigration can be justified, Little tells us that every restriction of liberty is justified only if it leads to greater economic equality. Therefore, under this view the state has the right to limit individual liberties only if the resulting equality can relieve poverty. The great difference, however, is that this poverty relief is distinguished from redistribution because this last one can result in long run income disparities.<sup>15</sup> This justification, however, is a contradiction to the economic liberal theory because it results in an opposition to the equalization of the factors of production. It is the interdiction of the liberalization of the factor of production, in this case labour, that goes in opposition.

The problem is that the restriction can be founded in religious or racial prejudices that are against liberal precepts. In the past there are many cases. For example, Handlin points out that of the United States. After an open period of migration, they started to impose restriction immigration policies, created by nationalistic sentiments that supported the development of racism sentiments. Restriction was also related to religious perceptions of immigrants.<sup>16</sup> As we can see:

In the early years of the twentieth century many sociologists and anthropologists had accepted the idea that mankind was divided into biologically distinct races, that any intermixture was undesirable, and that Americans ought to aim at a population that was pure and Aryan.<sup>17</sup>

This can be a route in which any state not only goes in the opposite direction to liberal principles, but also goes in the direction of conforming to fascist government. It

---

<sup>13</sup> Ibid, 22.

<sup>14</sup> Ibid, 22.

<sup>15</sup> Little, I.M.D., “Ethics and International Economic Relations” in Barryn , Brian, *Free Movement* (Unites States: Pennsylvania State University Press, 1992), 49-53.

<sup>16</sup> Oscar Handlin, *Immigration as a Factor in American History*. (USA: Prentice-Hall, 1959), 167-168.

<sup>17</sup> Ibid, 168.

becomes easy in democratic societies when the outsider becomes a ‘threat’ and the right-based and fascist parties can arrive at power. The response to any fascist sentiment is the liberal persuasion that all the men are equal; this can be based in the Franz Boas “conclusion that the functions of the human mind are common to whole of humanity.”<sup>18</sup>

In the past as in the present, the racial fundamentalists are trying to prove the superiority of one *race*, trying to show this they wanted to demonstrate that physically and mentally one race is superior. The extensive anthropological study of Boas help us to defend the mental equality of all men, so that in the end it can be the principal reason to expect the equal opportunities, freedom of movement and equal rights that are commitments of liberal egalitarians. The development of history has led multicultural societies where individuals of all different *races* are assimilated in the community and occupy posts of higher rank. In one hand is the better prove that ‘functions of the human mind are common to whole of humanity’. In the other, however, has led developed a new-racism, as Lynn Doty points out ““racism without race” is racism whose dominant theme is not biological heredity, but the insurmountability of cultural differences.”<sup>19</sup> In the present we have two racisms, the classical racism, or the scientific racism founded in race and the neo-racism, both attack the immigrants and limit their possible freedoms and rights. Castles suggest that

[r]acism may be defined as the process whereby the social groups categorize other group as different or inferior, on the basis of phenotypical or cultural markets. This process involves the use of economic, social or political power, and generally has the purpose of legitimating exploitation or exclusion of the group so defined. [...] The power of the dominant group is sustained by developing structures (such as laws, policies and administrative practices) that exclude or discriminate against the dominated group.<sup>20</sup>

The racism could evolve into institutional racism or governmental racism. This is dangerous because it is closer to being a fascist state.

Concerning restriction, “the logic of the state is to capture and control the process of economic growth and capital accumulation in relation to particular territories.”<sup>21</sup> But in the

---

<sup>18</sup> Franz Boaz, *The Mind of Primitive Man*. (New York: The Macmillan Company, 1938), 143.

<sup>19</sup> Lynn Doty, Roxanne. *Anti-Immigrantism in Western Democracies. Statecraft, Desire, and Politics of Exclusion*. (London: Routledge, 2003), 19.

<sup>20</sup> Stephen Castles and Mark J. Miller, *The Age of Migration. International Population Movements in the Modern World*, (Great Britain: Palgrave Macmillan, 2003), 35.

<sup>21</sup> Gilpin, quoted in Aristide Zolberg R, “Labour Migration and International Economic Regimes: Bretton Woods and After” in Mary Kritz and Lin Lean *International Migration Systems*. (Oxford: Clarendon Press, 1992), 319.

end, these territories are not isolated, as those states are not in autarky, so the economic model needs to work, and the result is what is concerning:

The commitment of the modern state to assure the economic well-being of the population under its jurisdiction brings it into conflict with other states having similar goals, because one way to archive that objective is to pass on economic difficulties to other societies, a strategy that is particularly attractive in times of economic crisis and obviously more available to powerful states than to weaker ones. However, such actions jeopardize the survival of the capital system at the international level, producing negative-feedback effects on the domestic economies of all the units in the system, as occurred in the wake of the First World War.<sup>22</sup>

In this way, the international migration problem restriction involves the modern states economic well-being of the population under the capitalist system, and there is no way to escape from their effects by amounting interdependency.

### **III.II. Libertarianism and Economic Liberalism**

The cornerstone of the liberal position is non discrimination between different economic agents. [this implies that] A free system does not exclude on principle all those general regulations of economic activity which can be laid down in the form of general rules specifying conditions which everybody engaged in a certain activity must satisfy.<sup>23</sup>

Though the resulting general, discriminatory government interventions or regulations may be unwise from the point of view of economic efficiency because they reduce overall productivity, there is a liberal and fundamental principle of non-discrimination that implies that non governments or non persons can determine the position of a particular person. In addition, the only legitimate restriction on movement would be the enforcement of infringement laws and the detention of rights violators.<sup>24</sup>

It is important to have in mind throughout my subsequent remarks that immigrants can create new resources, wealth, jobs and opportunities and can greatly enrich a nation's cultural life. Thus, this benefits not only the immigrants themselves, but also the citizens in the countries to which they immigrate.

Paraphrasing Jackson, Adam Smith, father of the economic liberalism who proposed that markets have a propensity to spread out for the contentment of the human needs, and that governments need to rest out of the any interference. He sows the market as

---

<sup>22</sup> Ibid, 320.

<sup>23</sup> F.A. Hayek, *Constitution of Liberty*. (London: Routledge, 1960), 401.

<sup>24</sup> Aristide Zolberg R, "Labour Migration and International Economic Regimes: Bretton Woods and After" in Mary Kritz and Lin Lean *International Migration Systems*. (Oxford: Clarendon Press, 1992), 327-8.

the principal source of prosperity, progress, and cooperation.<sup>25</sup> As Dewey points out “[Smith] held that the activity of individuals, freed as far as possible from political restriction, is the chief source of social welfare and the ultimate spring of social progress.”<sup>26</sup> This is from the liberal perspective that the expansion of markets and the drive to eliminate inefficient sectors in national and global economies leads first to greater mobility of the factors of production, that by force needs to include labour.<sup>27</sup> In consequence, factor equalization will arrive. This equalization will happen in the long term when economic growth will reduce inefficient sectors and dualities in international and domestic policies. The interference of the states does not have to exist because it is in contradiction to the implication of theory. Liberal economics has been called “a doctrine and a set of principles for organizing and managing economic growth, and individual welfare.”<sup>28</sup> Labour movement needs to play a role under the liberal model without restriction that constrains the beneficial effects that the same model predicts.

Continuing with this liberal position the Lewis-Kindleberger model of growth offers us a liberal economic argument with unlimited supplies of labour. They pointed as the main importance to the labour supply in economic growth. Under their model, they establish the importance of the immigration and foreign labour as key factors for Europe’s economic post-war recovery.<sup>29</sup> We can summarize the Lewis-Kindleberger model as follows:

[u]nlimited supplies of labor keep the firm’s wage bill down and profits up, thus creating a favorable environment for investment, increased productivity, low inflation, and higher consumption. The higher rate, Kindleberger points out, is the result of raised wages, which are made possible by greater profits and increasing employment. Thus wage remain a constant share of national income.<sup>30</sup>

The model was established in the setting of post-war Europe, and worked as long as demand of labour was increasing. It was in this way until the 1970’s, when one of the major problems facing Europe was how to sustain phenomenally high rates of growth and avoid the inflationary consequence of full employment or shortage of credit, the answer was the

---

<sup>25</sup> Robert Jackson and Gorg Sorensen, *Introduction to International Relation*. (Great Britain: Oxford University Press, 1990), 180-181.

<sup>26</sup> John Dewey, *Liberalism & Social Action*, (New York: Capricorn Books, 1963.), 7.

<sup>27</sup> *Ibid*, 180-181.

<sup>28</sup> Gilpin, Robert. *The Political Economy of International Relations*. (USA: Princeton University Press, 1987), 27.

<sup>29</sup> F. James Hollifield, *Immigrants, Markets, and States*. (USA: Harvard University Press, 1992), 104.

<sup>30</sup> *Ibid*, 104.

immigration of labour, as the model proved.<sup>31</sup> Foreign workers were employed more frequently in high growth sectors, it may be that immigration continued to fulfill the function of providing a supply of additional labour in expanding markets, as the model says. Also the state can use “[t]he policy of using foreign workers to cushion the shock of industrial decline and may ease the pain of recession and lessen the political repercussions of unemployment.”<sup>32</sup>

### **III.III. Economic Exchange and Flows: International Labour Movement.**

International migration flows are happening in a world where the interdependency among nations is increasing by the political, economic, and social bounds and processes that link labour-migrant sending and receiving countries. Within the global order much of those relations are dominated by economic exchange and flows between nations, since the logic of the market needs to expand geographically and functionally. In this way, Lin Lean says:

But as an inherently expanding global system, the market comes up against the interests of independent states concerned with preserving their national sovereignty. The systems approach views labour migration as an integral part of international interdependence forged by economic, political, and social factors but does not suggest that relational dynamics among countries are institutionalized or flexible.<sup>33</sup>

It is important to say that the same author pointed out that international labour migration is treated as a market process of exchange in economic literature and is discussed as part of the theory of factor movements. Labour migration is determined, not just by internal supply and demand factors in either sending or receiving countries, but also by market and non-market interactions among countries. The economic exchange dynamics are based on the market, which operates to locate factors and finished products where they are most productive and profitable.

The same author continues saying that, in consequence, because countries have differential factor endowments and production abilities, it makes economic sense for them to engage in exchange either through specialization in production and a greater quantity of final products, or through the movement of factors to areas of higher returns, in which

---

<sup>31</sup> Ibid, 104.

<sup>32</sup> Ibid, 143.

<sup>33</sup> Mary Kritz and Lin Lean. *International Migration Systems*. (Oxford: Clarendon Press, 1992), 133.

migration can play the main role. Thus, economic forces call for the mobility of factors from one market to another in a move towards some equalization of rewards.<sup>34</sup> We can support this with what Lin Lean says:

In today's interconnected global economy, there is a relatively free flow of goods, capital, technology, and knowledge, but not of labour. Yet the economic theory free market and exchange suggests the movement of all factors until some equalization of price is achieved.[...] In a global system shaped largely by market forces, the restricted mobility of labour, as compared to the liberal internationalization of other economic factors and products, has been explained in the contemporary literature on international political economy in terms of the intrusive role of sovereign states bent on influencing the effects of international market processes to their own domestic benefit. Labour, unlike other factors of production, has intrinsic value. The movement across physical space has not only economic but also humanitarian, political, and cultural implication that often bring domestic and international interest into conflict<sup>35</sup>

It is in this way that the thesis of this study finds a support for why the economic models that are based in the liberalist perspective find a contradiction or a paradox when a restriction in migration flow is imposed. The fact is that migration of people can be treated as another factor of production. We can find support in

[w]hile the liberalization of capital movements and trade flows has proceeded at an unprecedented pace and is encouraged on grounds of economic efficiency, progress towards liberalizing movements of labour has remained limited. This is all the more disturbing since labour mobility tends to interact closely with capital and trade flows in many different ways, both direct or indirect, and since, as pointed out in chapter I, migration can, in principle, be economically beneficial to both origin and receiving countries in that it generally contributes to a more rational and efficient allocation of resources in the world economy. This imbalance in the liberalization of factor movements amounts to a distortion of the globalization process and tends, in turn, to encourage disorderly migration.<sup>36</sup>

The labour movement can be seen as a complement of trade based in the liberal theory, in the same way, this helps the efficient allocation of resources and to avoid distortions of the globalization in the long run.

Immigrants also compare the general welfare and quality of life between countries; it must be an exhaustive analysis of the comparative political, social and economic panorama that the countries offer. In other words, migrants can make choices and take initiatives that influence their own destiny. After entering a country, migrants can find ways to remain, even improve upon, the original terms of exchange, or assert their claim to other rights, including the right to political participation. They can, however, be excluded by the states who have the right to deny them entry or deportation. Much of the contemporary

---

<sup>34</sup> Ibid, 133-139.

<sup>35</sup> Ibid, 139.

<sup>36</sup> *Foreign Direct Investment, Trade, Aid and Migration*. (Geneva: UN, 1996), 65.

concern has been with the barriers to trade and investment, rather than with the liberalization of international labour movements. Developing countries have commonly expressed their preference for exporting goods rather than persons, and have called for the opening up of markets in the traditional receiving countries.<sup>37</sup>

The international migration movement has reached only a fraction of their total potential, given their potential disparities in reason because the state boundaries have served as barriers to free labour exchange by allowing state policies to apply selective entry criteria. The state has different entry regulation tools as quotas, visas and harsh penalties imposed on illegal migrants to employers and job placement agents. Despite all these legal barriers and other attempts of states to restrict labour inflows, these movements persist and involve growing numbers, in part, because the parties involved in the exchange mutually benefit.<sup>38</sup>

Countries with differential factor endowments can be linked together through the exchange of the factors themselves or through the exchange of the products of these factors. In pure theoretical terms, the free flow of labor across national boundaries could raise world production more than trade and/or specialization, and trade in factor product is basically a second best substitute for factor mobility.<sup>39</sup>

This is in concordance with the hypothesis and with the supposition that in the long term, there would tend to be factor price equalization. Moreover, there is a theorization among the social scientists developing a view in which labour migration from less to more developed countries is necessary for the survival of capitalism.<sup>40</sup>

However, “restricting legal migration may just increase the proportion of clandestine moves.”<sup>41</sup> In this way Hollifield says, “that restrictionist policy had only a marginal impact on levels of immigration and foreign employment.”<sup>42</sup> The assumption is that the international migration flows from the poor countries to developed ones will persist despite the restrictions, in part as result of the increasing interdependence.

In countries with excess labour, sustained development is ideally supposed to generate sufficient employment and opportunities for social mobility and in this way reduce emigration pressures. With strategies of development, export-orientated industrialization in

---

<sup>37</sup> Mary Kritz and Lin Lean. *International Migration Systems*. (Oxford: Clarendon Press, 1992), 133-139.

<sup>38</sup> Ibid, 138-139.

<sup>39</sup> Ethier, W. J. K. ‘International Trade and Labor Migration’, *American Economic Review*, 1985, 75(4), 246.

<sup>40</sup> R. Cohen, *Migrants in the International Division of Labour*. (Aldershot, 1987), 144.

<sup>41</sup> Mary Kritz and Lin Lean. *International Migration Systems*. (Oxford: Clarendon Press, 1992), 140.

<sup>42</sup> F. James Hollifield, *Immigrants, Markets, and States*. (USA: Harvard University Press, 1992), 165.

particular may accelerate integration into the world economy by increasing dependence on international markets. In developing countries such as Mexico, this is what is taught as a part of the liberal economic model and the World Bank recommendations. There is another study, made by the U.S. Congress in which they affirm that a rapid “economic development tends to promote and accelerate out migration over the “short term”, i.e. 10-20 years.”<sup>43</sup> They argue this because of the modernization of the rural rupture of the traditional social networks and economic relationships, and because migration option is more accessible to more people. This, however, seems little and in contradiction with most theories of migration, including the push-pull theory. If one person finds his/her wage sufficient to have all his/her commodities, perhaps, he/she will not think to emigrate.

Another author that made links between capital and labour flow who might also be mentioned is Quibria. He says that whilst capital is generally seen as flowing from more to less developed countries, citizens from developing countries are increasingly using capital to gain permanent residence in countries that have tightened their entry rules for labour. Even advanced nations that have become increasingly selective with regard to labour inflows are still receptive to persons bringing in large investment funds. Secondly, remittances are an important capital flow. Sending countries that have come to rely on remittances as a sources of foreign exchange or funds for domestic investment not only actively encourages and organizes their nationals to work abroad but also devises ways, including the legislation of compulsory remittance requirements, to ensure the return flow of capital in exchange for the outflow of their labour resources.<sup>44</sup>

In this way, remittances represent an important link between countries and together with international migration; they can influence international relations in a large measure, which is a reason for the growing interdependency. Paraphrasing Fred Arnold, on the positive side, remittances, as a source of foreign exchange, can help alleviate the serious balance of payments deficits that plague many developing countries. In fact, “the beneficial balance-of-payments effect of workers remittances developed into the “leitmotif” of the

---

<sup>43</sup> Sharon Stanton, “International Migration and International Trade.” World Bank Discussion Papers, 160, The World Bank, Washington, D.C., May 1992, 34.

<sup>44</sup> M. G. Quibria, “Migrant Workers and Remittances”. *Asian Development Review*, 4(1), 78-99.

official attitude of the governments involved *vis-à-vis* the migration problem.”<sup>45</sup> The remittances promote economic development in the sending countries and help to correct imbalances in factor returns, because they have had a favourable influence on the country’s economic growth and development by receiving pressure on the balance of payments and the encouragement of domestic savings.<sup>46</sup> The remittances have helped to sustain development in such diverse countries as India, Mali, Yemen, and Uruguay, and that between 3.2 and 7.1 per cent of Korea’s GNP growth from 1976 to 1981 is attributed to remittance.<sup>47</sup>

On the other hand, continuing to paraphrase the arguments of Fred Arnold, there are arguments to say that the remittances either help to maintain the status quo or to urge development, following that remittances decrease total output, specially agricultural output and the production of export commodities and remittances increased dependence on imports and high levels of consumption. Indeed, the replacement of those workers who left will be difficult. The workers that come back to the sending countries may be unwilling to be employed for a low salary or profits if they have habituated to another wage. The problem here is that if farmland is removed from cultivation by house construction financed from remittances or by migration, agricultural production could be reduced. With all these problems the balance of payments would be exacerbated and the foreign-exchange benefits of remittance partially offset.<sup>48</sup> These effects, however, are not proved. The scholars

[s]uggest that remittances may promote economic development only in those countries which have sufficient productive flexibility to respond positively to their stimulus. Assessment of the impact of remittances also depends on a country’s particular development objectives. While some countries may see the use of remittance for consumption purposes as unproductive, others may have an increase in consumption as a national objective.<sup>49</sup>

The remittances can benefit the sending country’s economies in different areas depending on the manner in which they are used. In this way, Appleyard tells us that “through remittances, relief of unemployment and underemployment, increase in national income per capita and a consequential increase in rates of savings and investment, as

---

<sup>45</sup> H. Korner, ‘The Experience in the Main Geographical OECD Areas: European Countries’, in OECD, *The Future of Migration*. (Paris: OECD, 1987), 67.

<sup>46</sup> Fred Arnold, “Remittances and Development” in Mary Kritz and Lin Lean. *International Migration Systems*. (New York: Oxford University, USA, 1992), 211-14.

<sup>47</sup> *Ibid*, 211-14.

<sup>48</sup> *Ibid*, 211-14.

<sup>49</sup> *Ibid*, 215.

well.”<sup>50</sup> The remittances can work as a means of equalizing inequalities between countries, as Demetrios points out “[r]emittances over the past 25 years have in fact become a massive “redistributive” mechanism from rich countries to poor ones.”<sup>51</sup> In this way, migration represents an opportunity for individuals to escape from poverty and for their countries of origin to benefit from it. The remittances represent an important amount to national economies as we can see:

Table 3.

**Top 20 Receiving Countries of Migrants Remittances, 2000**

Country	Remittances (US\$ in thousands)
India	11,585,699
Mexico	6,572,599
Turkey	4,560,000
Egypt	3,747,000
Spain	3,414,414
Portugal	3,131,162
Morocco	2,160,999
Bangladesh	1,948,999
Jordan	1,845,133
El Salvador	1,750,770
Dominican Republic	1,688,999
Greece	1,613,100
Colombia	1,553,900
Ecuador	1,316,700
Yemen	1,255,206
Indonesia	1,190,000
Sri Lanka	1,142,329
Brazil	1,112,999
Pakistan	982,899
Jamaica	789,299

Source:  
World Bank (2002).

Source: In IOM, *World Migration 2003* (Switzerland: IOM, International Organization for Migration, 2003), 311.

In the world, there are regimes for capital flows and trade, as imposed by the GATT. The economic model that includes factors of production also includes labour

<sup>50</sup> Reginald Appleyard, *The Impact of International Migration on Developing Countries*. (Paris: OECD, 1987), 28.

<sup>51</sup> Demetrios Papademetriou G., *Reflections on the Relationship between Migration and Development*. Paper for the Seminar on International Migration and Development in Central America, Mexico City, May 21-22, 1998, 19.

mobility, so why is there no international migration regime? The same question was proposed by Aristide R. Zolberg, to answer this question he said that:

However, there is some evidence suggesting that the architects of the post-war international economic order did give thought to the subject of international migration, and that they were committed to promoting greater international movement of labour, much as they were to revival of international trade and to capital movement. Yet, no international regime arose in this sphere because the states which participated in the formation of the post-war capitalist political economy shared a common outlook with respect to the procurement of foreign labour and were in a position to achieve their objectives by acting individually rather than having to co-operate with one another.<sup>52</sup>

For Zolberg, 'International regimes' constitute a set of more enduring rules, which, once adopted impose certain constraints on the actions of sovereign states; but regimes are not only practices between the states, or similar policies, but a structure that intervenes between the states. It becomes clear why there is no migration regime. Within a regime cooperation needs to exist between countries, but when the supply of labour is so vast and so widely distributed that cooperation among suppliers was unlikely to succeed, and there is no authoritative political apparatus at the international level by way of which they might impose a code of conduct. Zolberg does not consider the refugees and their institution, which includes international agencies and a body of treaties and protocols as a regime. Policies towards refugees shifted as a result of the emergence of a common ethical sensibility among liberal democracies in reaction to the consequences of the Second World War. They are important anyway, however, because what are they fighting for is institutionalized into an international code of conduct of refugees.<sup>53</sup>

#### **III.IV. Migration and Trade in Services**

There is a close relationship between migration and trade in services, and some scholars argue that they are the same but governments and companies try to highlight the difference in order to justify the anti-immigration policies and create a space to fill the labour shortage. In this way we point out that:

The extent to which barriers to the movement of persons should be addressed in an international regime governing trade in services has become one of several issues dividing industrialized and developing countries in the Uruguay Round of the GATT. At the meeting of GATT members in Montreal in December 1988, negotiators agreed to examine both tradeable and non-tradeable services.

---

<sup>52</sup> Aristide Zolberg R, "Labour Migration and International Economic Regimes: Bretton Woods and After" in Mary Kritz and Lin Lean *International Migration Systems*. (Oxford: Clarendon Press, 1992), 317.

<sup>53</sup> *Ibid*, 316-319.

However, while the U.S and the EC favor a definition of “trade in service” that includes the cross-border supply of services and the movement of companies (the right of establishment), they have sought to limit consideration of the cross-border movement of people to “essential personnel”. [...] Developing countries, by contrast, favor free labor movement but refuse an automatic right of establishment to foreign service firms. [...]

There are few policy issues as sensitive as immigration policy. What that means is that most countries assign a high priority to the objective of controlling entry by foreigners and lower priority to the trade and other policy objectives. At the same time, international trade in service could flourish if people could not move from one country to another for temporary periods. The definition of trade in services with respect to the movement of people is therefore one of the most difficult issues that negotiators will have to face in developing future agreements on trade in services.

What these observers do not mention, but governments of industrialized countries well know, is that temporary movements of people often become permanent settlements.

Governments of developed countries see the trade of services as a substitute to migration, but the problem is that this will never be a substitute for the whole migration phenomena while the supply and the demand of migration continues.