

What's Wrong with Plan B?

International Migration as an Alternative to Development Assistance

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This paper examines the argument for using significantly scaled-up temporary migration as an additional tool to alleviate global poverty. The temporary nature will modestly increase the labor supply in industrialized countries without the attendant concerns of permanent settlement and at the same time will have a broader impact on poverty in sending societies. Using the idea of consequence-based evaluation, we argue that normative arguments by liberal philosophers against labor inflows and insistence on treating temporary migrants on par with citizens is a case of the best being the enemy of the good. We review the empirical evidence on three central questions: How much would the temporary workers benefit? (Our answer: A lot.) Would rich-country residents be harmed? (Our answer: Probably not, though there is uncertainty about the effects of less-skilled labor inflows on less-skilled natives.) Would those remaining behind be harmed? (Our answer: The migrant's household will typically gain through remittances.) Our main reservations relate to how such a program may be implemented and whether a possible skill bias as well as rent-seeking behavior would vitiate the benefits envisaged. But the answer is not to abandon the idea. Instead, we suggest strategies to minimize the negative effects on those remaining behind.