

# ***International Overview of Temporary Labour, Past and Present***

October 2006

B. Lindsay Lowell  
Director of Policy Studies  
Institute for the Study of International Migration (ISIM)  
Georgetown University  
Email: [lowellbl@georgetown.edu](mailto:lowellbl@georgetown.edu)

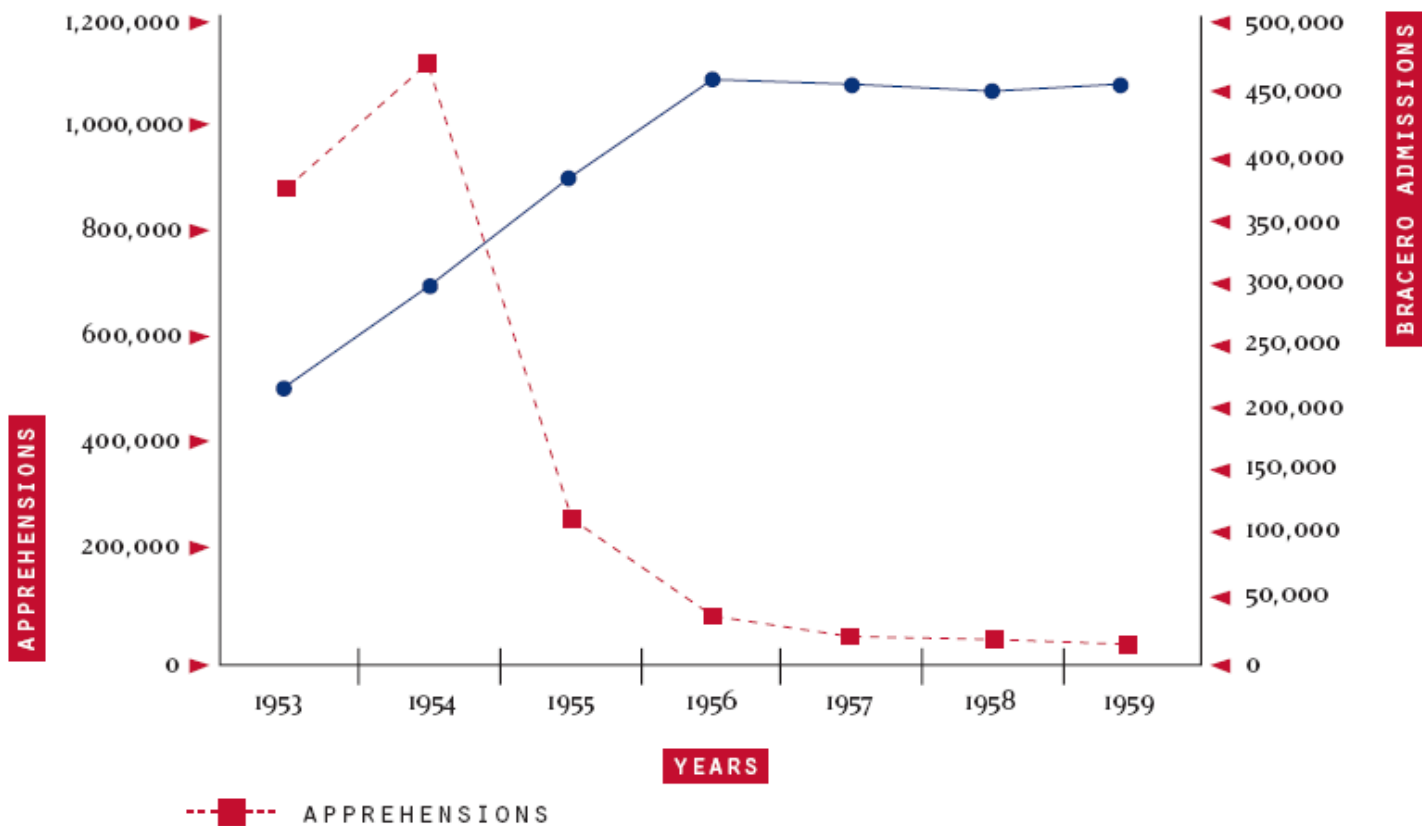
Paper prepared for the International Metropolis Conference,  
Lisbon, Portugal, October 2-6, 2006

# LOW-SKILL TWP<sub>s</sub>

- Historical programs
- Guestworkers in manufacturing in Europe
  - Most returned home, but many stayed and started families.
- Mexican Braceros in US agriculture
  - Most cycled home seasonally, but over time many moved into permanent residence in non-seasonal, urban jobs

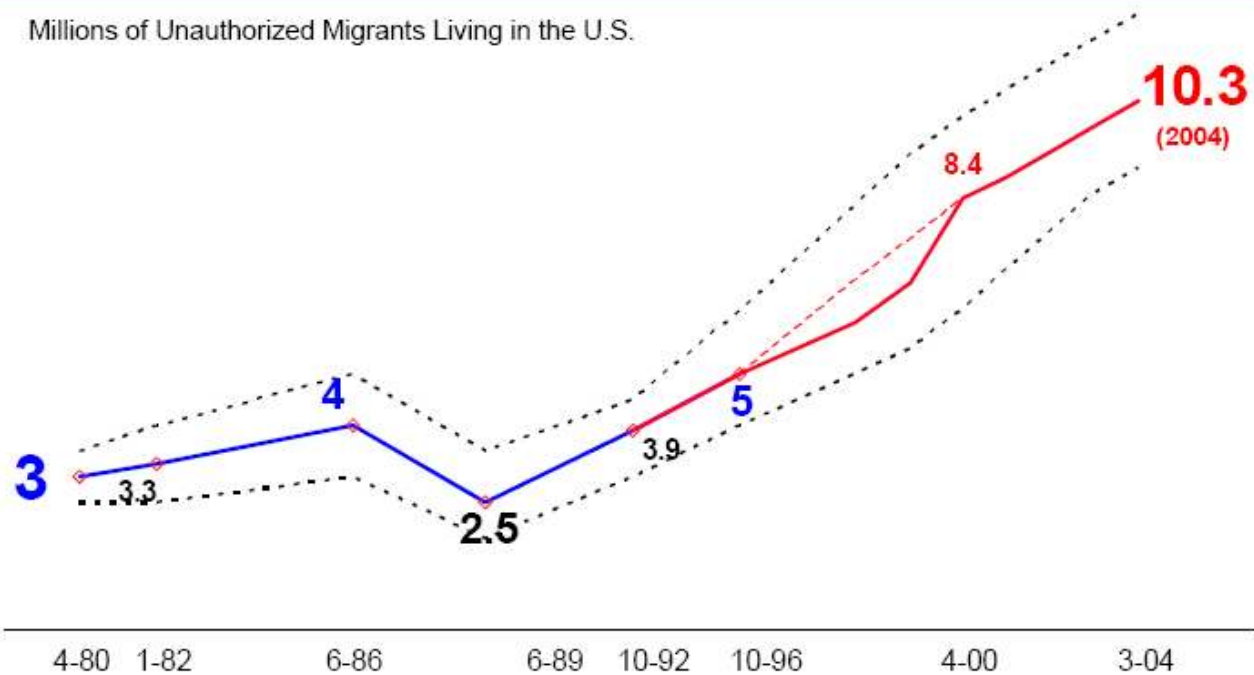
**FIGURE 1**

APPREHENSIONS & BRACERO ADMISSIONS 1953 -1959



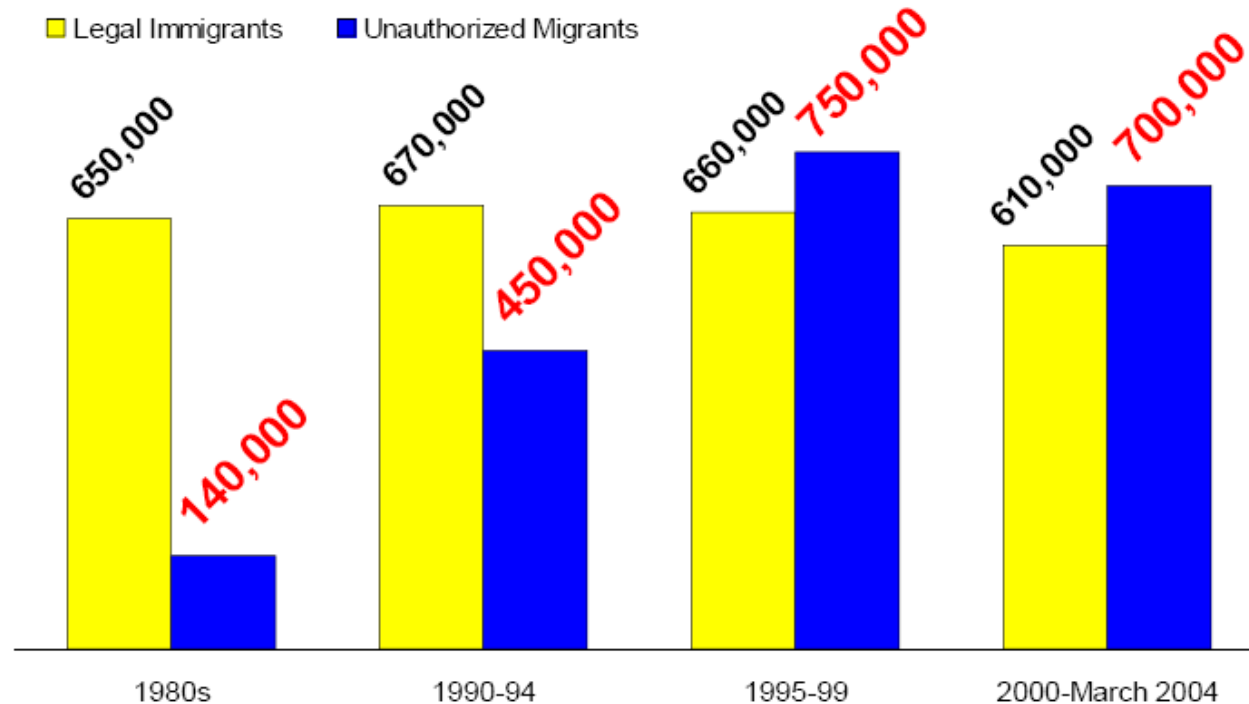
# Unauthorized at New High — Details of Trend Uncertain

Millions of Unauthorized Migrants Living in the U.S.

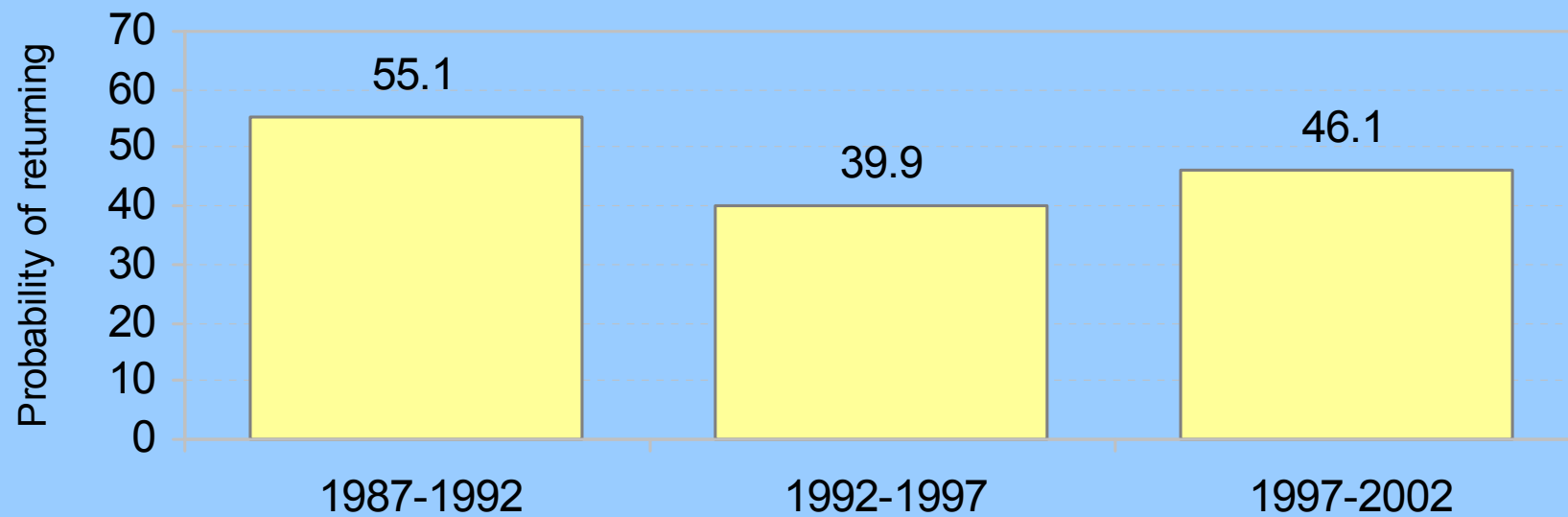


# Annual Arrivals of Unauthorized Exceed Legals Since ~1995

Average Annual Arrivals of 2004 Population by Legal Status in 2004



# Probability of returning to Mexico from the USA within three years



## Legal Temporary Workers and Illegal Resident Population. ca. 2000-2001

Nation	Low-Skill Legal Temporary Workers	Estimated Illegal Resident Population	Ratio Legal Temporaries to Illegal Residents
Australia	--	50,000	--
Austria	--	75,000	--
Belgium	--	175,000	--
Canada	16,700	--	--
Denmark	--	--	--
Finland	--	--	--
France	10,794	400,000	0.027
Germany	337,754	1,000,000	0.338
Greece	--	370,000	--
Ireland	--	25,000	--
Italy	5,000	700,000	0.007
Japan	--	210,000	--
Netherlands	--	180,000	--
New Zealand	--	--	--
Norway*	11,920	--	--
Portugal **	--	185,000	--
Spain	1,744	690,000	0.003
Sweden	--	--	--
Switzerland	19,538	190,000	0.103
United Kingdom	25,000	1,000,000	0.025
United States	100,082	10,300,000	0.010
<b>Total</b>	<b>528,532</b>	<b>15,550,000</b>	<b>--</b>
<b>Average</b>	<b>58,726</b>	<b>1,036,667</b>	<b>0.032</b>

Source: Lowell 2006; miscellaneous sources SOPEMI, Jandi 2003 and Lemaitre 2006.

## Can low-skill TWPs work?

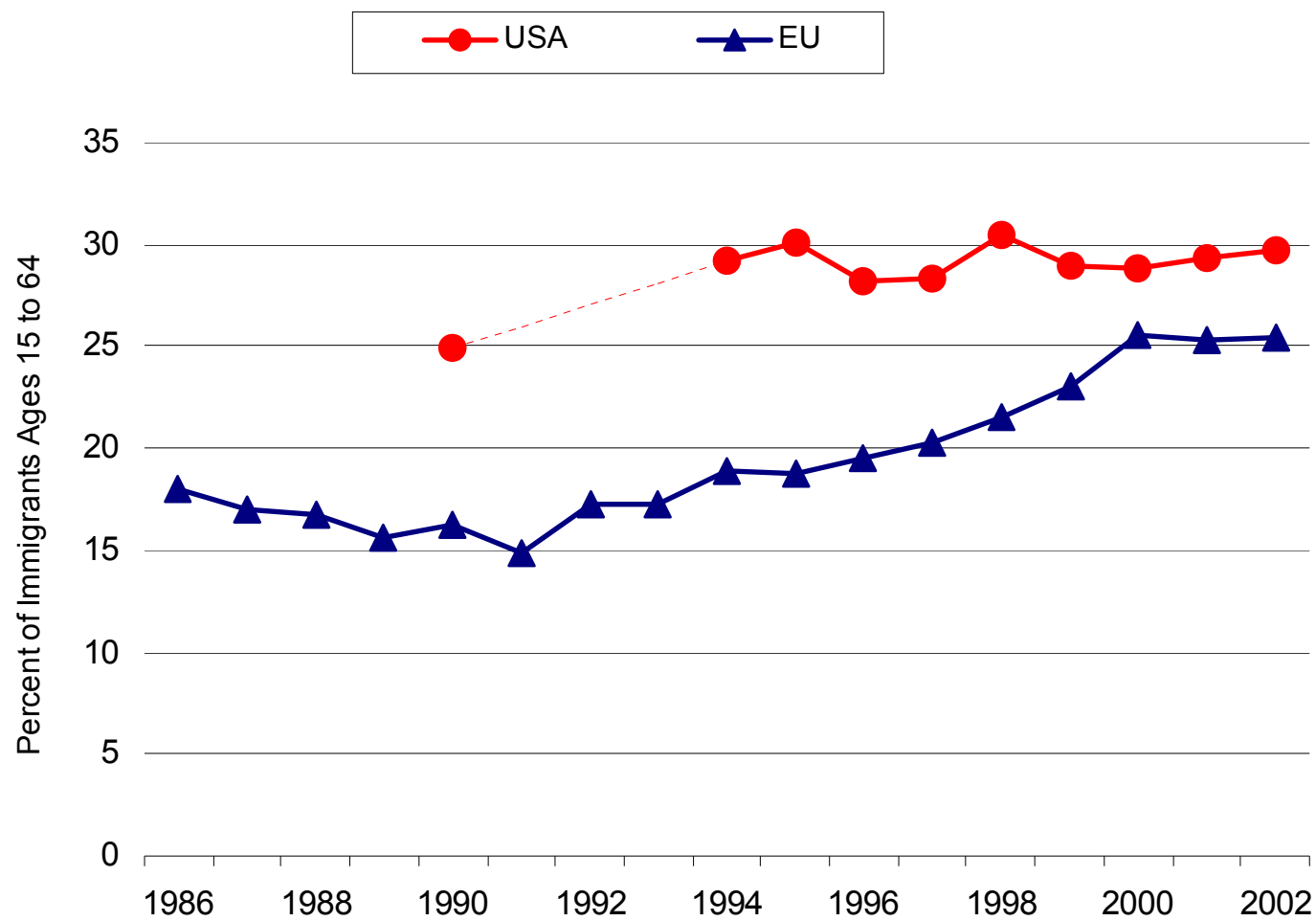
- US Bracero worked when it was confined to seasonal jobs and was combined with border enforcement.
- Polish / German TWP appears to have worked -- strong border enforcement and bilateral agreement and management.
- Canadian / Mexican (other) agricultural TWP appears to have worked – distant borders, seasonal work, married males, bilateral management.



# Hi-Skill TWP's

- Primary experience is past 10-15 years and lots of countries getting on board.
- European “temporary” programs often are “transition” to permanency and return rates are not reported
- US H-1B is prime exemplar, but return rates 50 percent or more.
  - good evidence of abuse

**Figure 1. Percent of U.S. Recent Immigrants and non-EU Immigrants with Tertiary Education**



Sources: European Commission, 2003, chart 139; U.S. Census microdata.

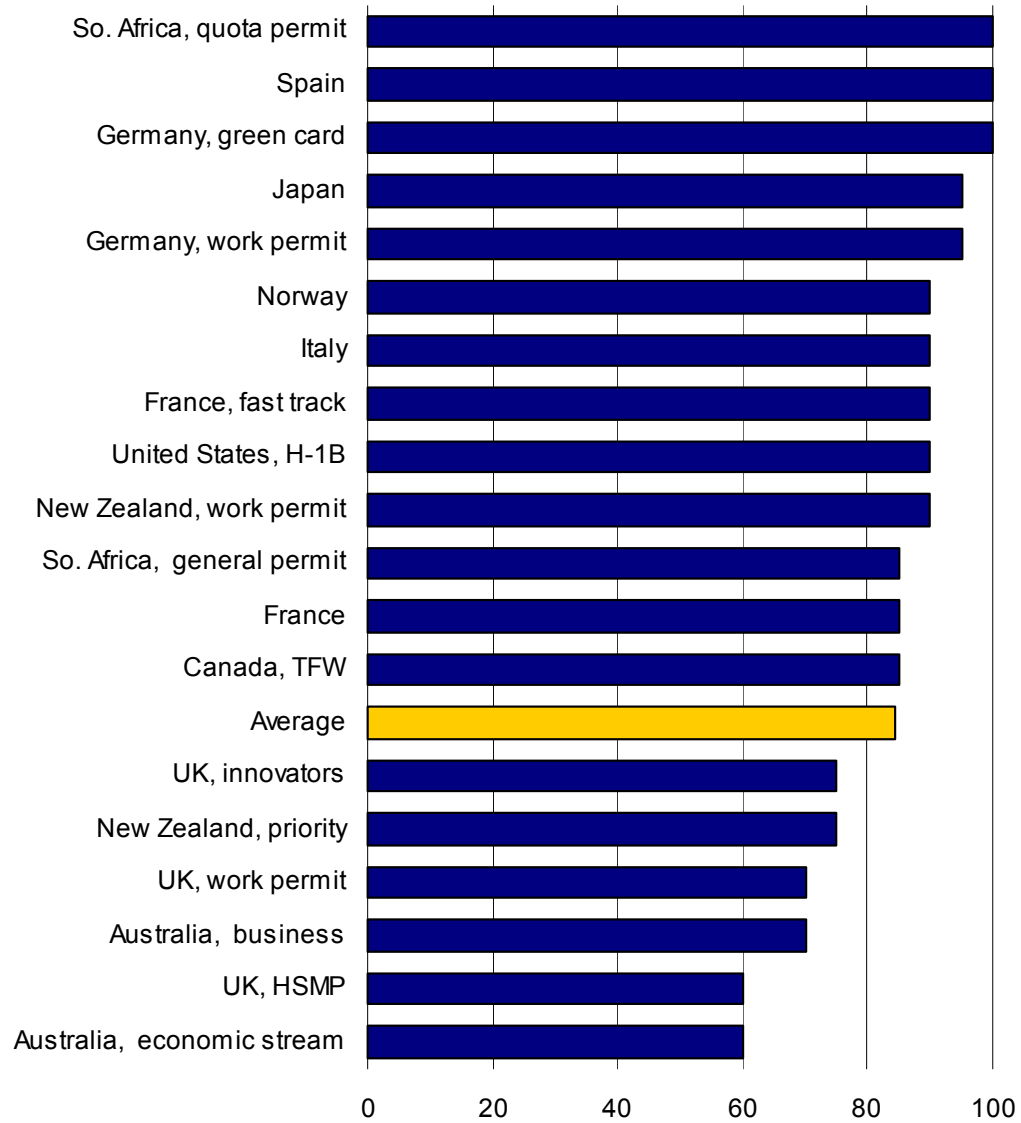
## **POLICY CONTINUUM AND RANKING CRITERIA**

- Highly controlled / restrictive admission — Policies designed to be unfailingly restrictive and even prohibitive of migration..
- Well managed / controlled admission — Policies that balance facilitating employers' demand and protecting both workers both domestic and foreign.
- Streamlined / competitive admission — Policies that attract as many of the best and brightest as possible, assuming marketplaces ultimately adjust to everyone's benefit.

### **Criteria:**

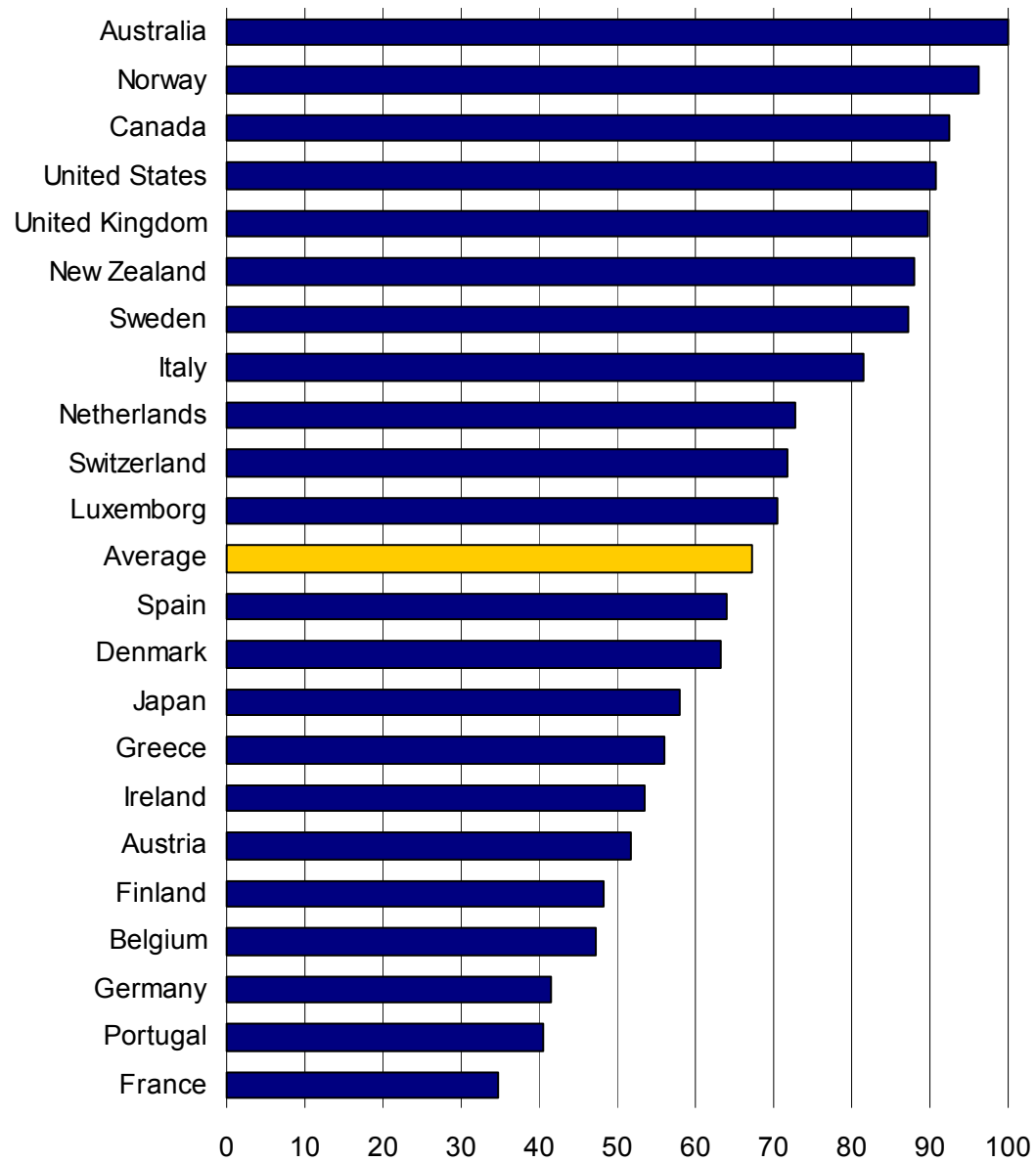
1. Hard numerical caps
2. Strict labor market test
3. Extensive labor protections
4. Enforcement mechanisms
5. Limited employer portability
6. Restriction on dependents / working spouse
7. Limited permanency rights

Figure 2. Ranking of Index of Controlled/Competitive Temporary Skilled Worker Programs



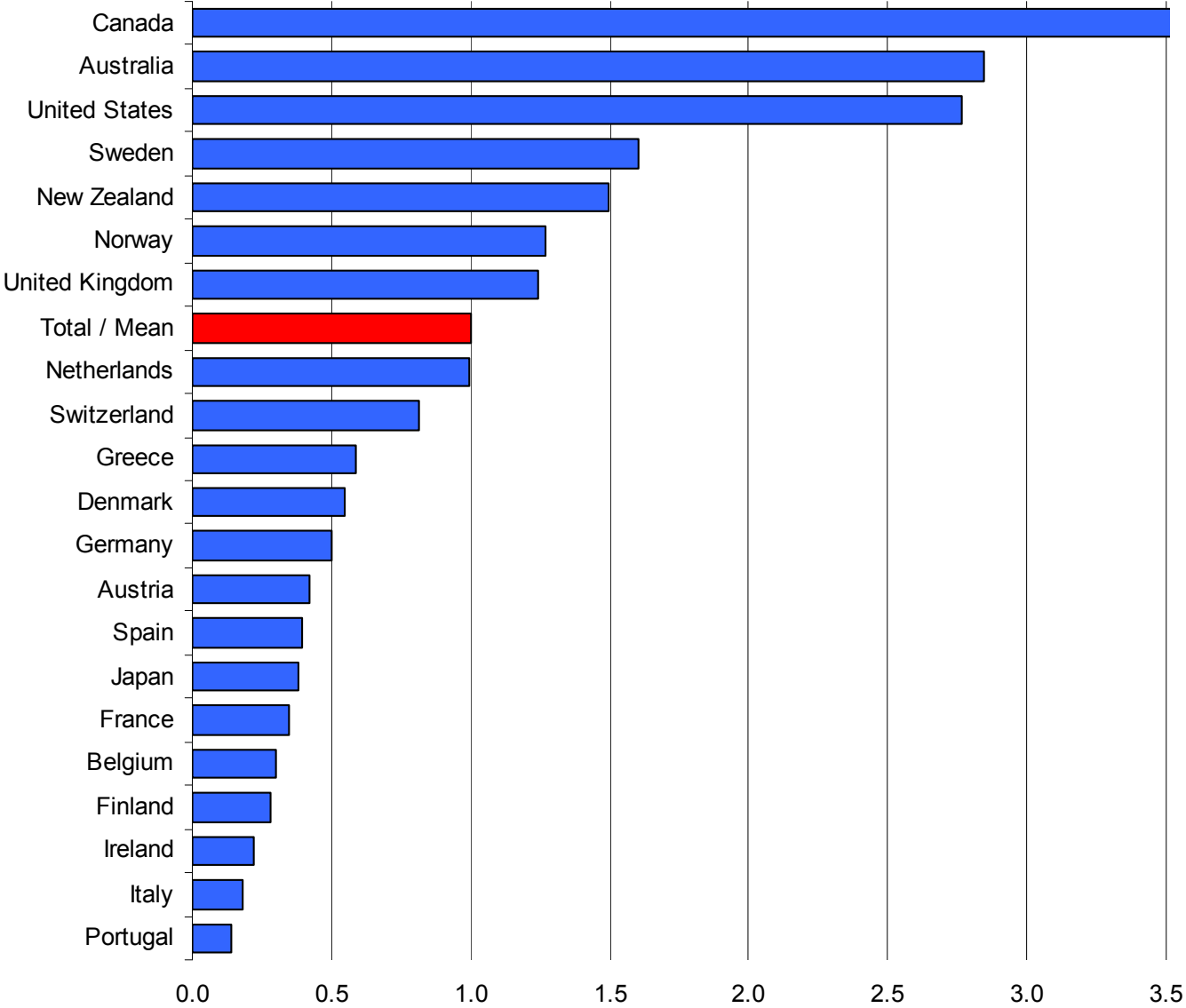
Source: see text

Figure 4. Combined Index of Skilled Immigrant Competitiveness



Source: see discussion in text and Table 1

### Admission Policies that Risk Brain Drain



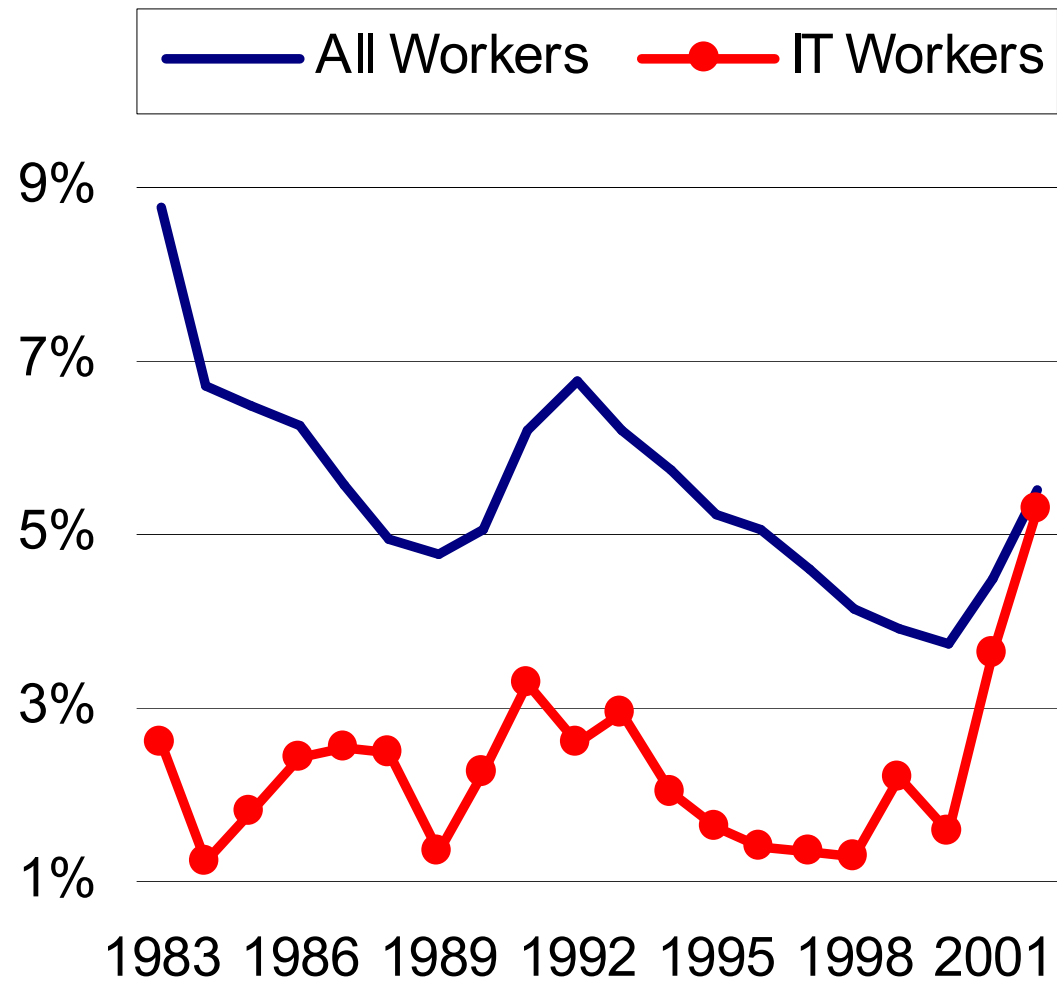
Source: Lowell, 2006

## United Nations Survey of Population Policy, 2005

Nation	Policy on Highly-Skilled Workers	Policy on Temporary Workers	Policy on Permanent Settlement
<b>RAISE</b>	<b>12</b>	<b>3</b>	<b>3</b>
<b>MAINTAIN</b>	<b>8</b>	<b>17</b>	<b>13</b>
<b>LOWER</b>	<b>1</b>	<b>1</b>	<b>4</b>
<b>Australia</b>	<b>maintain</b>	<b>maintain</b>	<b>maintain</b>
<b>Austria</b>	<b>raise</b>	<b>raise</b>	<b>raise</b>
<b>Belgium</b>	<b>maintain</b>	<b>maintain</b>	<b>maintain</b>
<b>Canada</b>	<b>raise</b>	<b>raise</b>	<b>raise</b>
<b>Denmark</b>	<b>raise</b>	<b>maintain</b>	<b>lower</b>
<b>Finland</b>	<b>maintain</b>	<b>maintain</b>	<b>maintain</b>
<b>France</b>	<b>raise</b>	<b>lower</b>	<b>lower</b>
<b>Germany</b>	<b>raise</b>	<b>maintain</b>	<b>lower</b>
<b>Greece</b>	<b>maintain</b>	<b>maintain</b>	<b>maintain</b>
<b>Ireland</b>	<b>raise</b>	<b>lower</b>	<b>maintain</b>
<b>Italy</b>	<b>no intervention</b>	<b>raise</b>	<b>lower</b>
<b>Japan</b>	<b>raise</b>	<b>maintain</b>	<b>maintain</b>
<b>Netherlands</b>	<b>raise</b>	<b>maintain</b>	<b>lower</b>
<b>New Zealand</b>	<b>raise</b>	<b>maintain</b>	<b>raise</b>
<b>Norway</b>	<b>raise</b>	<b>maintain</b>	<b>maintain</b>
<b>Portugal</b>	<b>maintain</b>	<b>maintain</b>	<b>maintain</b>
<b>Spain</b>	<b>maintain</b>	<b>maintain</b>	<b>maintain</b>
<b>Sweden</b>	<b>maintain</b>	<b>maintain</b>	<b>maintain</b>
<b>Switzerland</b>	<b>raise</b>	<b>maintain</b>	<b>maintain</b>
<b>United Kingdo</b>	<b>raise</b>	<b>maintain</b>	<b>maintain</b>
<b>United States</b>	<b>maintain</b>	<b>maintain</b>	<b>maintain</b>

Source: United Nations (2006), *World Population Policies 2005*, UN: New York.

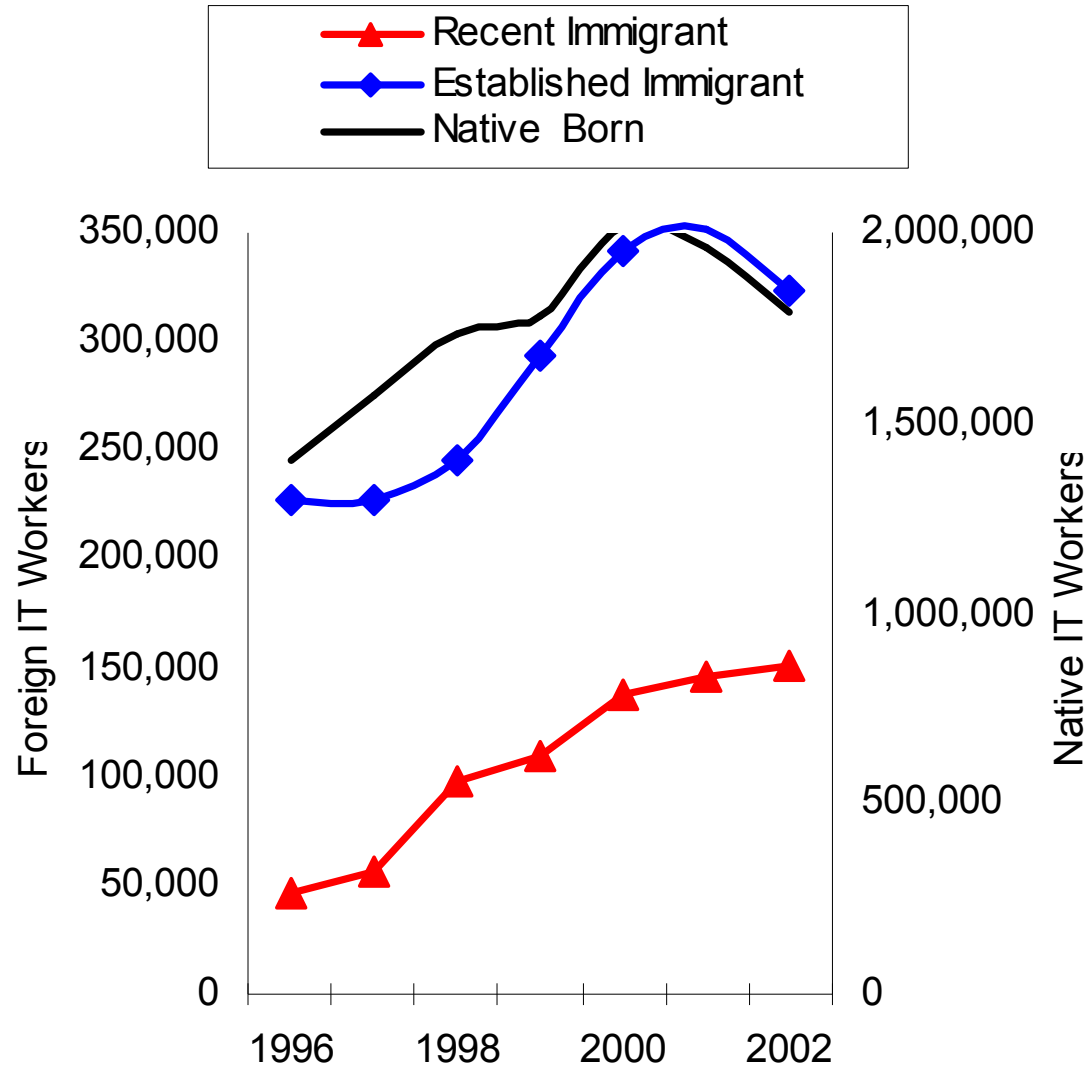
## US and IT Unemployment Rates



Source: Current Population Survey microdata

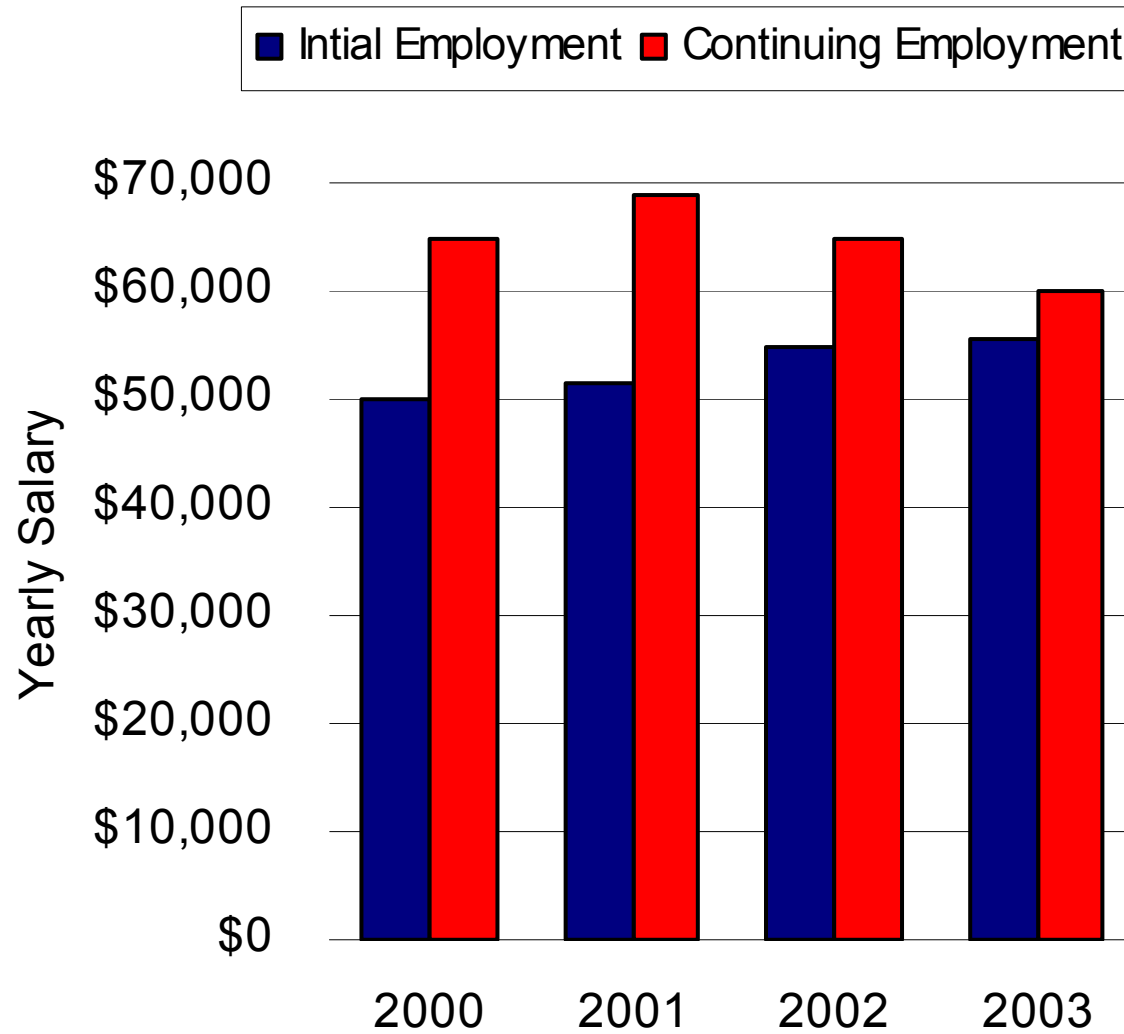


## Employed IT Workers



Source: Current Population Survey microdata

## Employer Reported Wages of H-1B Workers



Source: Department of Homeland Defense

# What makes for good TWPs?

- Acknowledging global marketplace
- Mechanisms to reduce abuse, as well as managing flow in line with real shortages
- Designing truly temporary regulations, e.g., short stays with full labor rights, limited residency rights

(a) *Global labour markets generate domestic demand*—Multinational corporations, communications, and transportation make for global labour markets, and governments should facilitate legitimate employer demand for international workers. Meeting legitimate employer demand is in everyone's best economic interests.

- Admission processes should be timely—Employers should be able to identify and hire foreign workers in a few weeks time. Pre-screening systems are one way to facilitate the process, as are responsible recruitment agencies, although neither may move as fast as word of mouth.
- Work permit requirements should not be onerous—Point systems and other means of facilitating fast admissions are alluring. But any fast track system that lacks a means of dynamic market testing is, ultimately, flawed. Arguably, in a computer age, the lag time that apparently inheres in market testing reflects problems in administrative creativity and management capacity.
- Administrative capacity needs to be front and center—Immigration consultants mostly focus on processes, but there is often a lack of administrative capacity to implement or react rapidly. This means that a successful admission system needs funding and the responsible bureaucracies must be held to the highest standards.

(b) *Abuse happens*—Today’s debate over immigration policy for skilled workers, coming of age in the past decade of “New Economy” exuberance, CEO excesses, and the erosion of labour institutions, tends to be bereft of traditional commitments to working conditions. Most employers are good actors, but exploitation will occur unless it is combated.

- *All admission programmes should specify labour conditions*—Wages and working conditions that protect domestic and foreign workers need to be spelled out up front, whether or not government agencies pre-certify the elements of a job offer or rely on post-hire enforcement.
- *Admission numbers should be dynamic*—The tried and true lesson of immigration is that, once started, it generates its own momentum and demand. There must be some means of testing demand and adjusting numbers accordingly or excess supply will have its adverse impacts. Market testing is one means, but serious consideration needs be given to economists’ calls for auctions and other innovations.
- *Enforcement must be integral for long-term success*—This review identified many on-the-book laws, but uncovered little evidence that immigrant programmes are adequately monitored. Failure to sanction abuse, even if no more than say 10 per cent of the actors involved, will undercut national workers and create an uneven playing field for business. In the long run abuse harms competitiveness and generates backlash.

*Temporary migration is ok*—History shows that temporary work programmes always lead to some permanent stays, but it also shows that most migrants are happy to take temporary work. It is both ethical and practical to insist on temporary work agreements.

- Workable temporary programmes are temporary—There should be up-front and transparent expectations of short stays; no more than one to three years. Spouse working rights and that of dependants should vary with length of stay and the nature of employment.
- Avenues to permanency should be available and transparent—Employers should be able to keep the exceptional foreign worker. Temporary workers should not be barred from permanent admission; rather the terms of their admission should encourage return, while the exceptional worker may be given priority status for permanency.
- Temporary programmes that encourage return are a plus for sending countries—As the volume of temporary migration from sending countries increases, so too does the risk of brain drain. Research indicates that high rates of return and circulation are the best way for skilled mobility to stimulate economic development in sending countries; and there are a number of policy options to facilitate return.