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OP-ED CONTRIBUTOR

Be Our Guests

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COMPANIES today purchase materials from the four corners of the world, consumers buy goods at a global supermarket and financiers can place bets on virtually any currency. But if you are a worker from a poor nation who wants to put on the global market the only asset you have — your manpower — good luck! What you encounter is a system of restrictions and regulations reminiscent of the Soviet Union.

The guest worker program included in the Senate immigration bill is an important step toward redressing this most inequitable feature of globalization. Critics of the program have focused on how it might hurt American wages and on the difficulty in establishing and enforcing it. But these legitimate concerns have to be considered alongside the huge benefits that a well-managed temporary work visa scheme would generate.

Each foreign worker in this country earns a multiple of what he would make in his home country — an extra \$17,500 per year for the average Mexican worker in the United States, according to unpublished estimates by a Yale economist, Mark Rosenzweig.

Multiply this by 200,000 guest workers per year, and by the end of a decade, an income gain of \$35 billion per year would be generated for workers from poor nations.

This exceeds the \$23 billion the federal government spent on foreign aid last year. It is also larger than the benefits — amounting at most to \$30 billion per year — that poor nations are projected to reap from the current round of multilateral trade negotiations. And unlike foreign aid and trade agreements, the benefits in this case go directly to working people.

To help poor nations the most, the program must ensure that guest workers return to their home countries. Employers will need to accept greater scrutiny and reporting requirements. Workers must have a portion of their earnings deposited in escrow accounts, which would be forfeited if they overstay their visas. The absence of appropriate incentives has turned other “guest” worker programs — Germany’s being the best-known example — into permanent-resident programs.

We could extend the incentives to the home governments of the guest workers. Countries could be told that their quotas in the guest worker program in future years would be reduced in proportion to the number of their citizens who fail to come back. This would induce these governments to experiment with tax breaks and other policies that encourage workers to return.

Whatever the practical difficulties, the potential gains are too large for us not to try. A guest worker program is the most effective contribution we can make to improving the lives of the world’s working poor.

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