

# Rural Migration News

## Blog 213

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### Lessons from Guest Worker Programs

Guest worker programs aim to add workers temporarily to the labor force without adding permanent residents to the population. Most countries have hire-local-workers-first policies, so they limit foreign workers to jobs that cannot be filled by local workers. Most 20th century programs were begun as temporary bridges to a future when guest workers would no longer be needed, as with Mexican Braceros in the US during WWII or Gastarbeiter in Germany in the 1960s.

In the 21st century, temporary worker programs became institutionalized and acquired additional goals. Some governments believe that admitting guest workers can reduce irregular migration, curb “structural labor

shortages” in agriculture, construction, and child and elderly care, and promote development in labor-sending areas.

During the 20th century, most countries had one or only a few temporary worker programs, so that all stakeholders could fit in one room to discuss the employer job search and minimum wage requirements necessary to ensure that foreign workers were needed. Most guest workers were low skilled and in sectors that ranged from agriculture and construction to assembly line manufacturing and janitorial and other services.

Countries today have multiple guest worker programs, each with unique

regulations, that complicate comparisons between them and evaluation of them. It has always been difficult to determine if guest workers are truly needed, and it is even harder to measure how opening legal channels to migrant workers affects irregular migration or economic development in migrant-sending areas.

Some guest worker programs depend on feeder institutions not directly associated with the labor market. For example, universities act as gatekeepers for foreign students who are often allowed to stay and work after earning degrees, opening an entry door for which foreign students are willing to pay. Similarly, working holiday maker and exchange visitor programs create business for placement and travel agencies that help youth who want to work while in another country.

This blog summarizes several major lessons from 20th century guest worker programs that have in some cases become aphorisms, such as guest worker programs are easier to start than to stop, the nature of benefits and costs favors guest worker programs, and the uncertain link between legal and irregular labor migration. Google scholar has over 160,000 citations to books and articles on guest worker programs, and twice as many on guest workers.

#### Temporary to Permanent

The most common aphorism summarizing the guest worker experience is that “there is nothing more permanent than temporary workers.” Almost all guest worker programs began as small and temporary exceptions to “normal” immigration and labor policies, and became larger and lasted longer than expected.

There are many reasons for larger and longer programs. Many employers appreciate the loyalty and better

Most Governments Have Hire-Local-Workers First Policies

**LOCAL JOBS  
FOR  LOCAL  
WORKERS**

attitudes of migrants, and prefer migrant to local workers. Current migrant employees can recruit friends and relatives, allowing social networks to take responsibility for recruitment and training in particular workplaces, industries, and occupations. Guest workers may change the language and culture of the workplace, as when required safety and other trainings for California farm workers are available only in Spanish.

Most guest workers are young and flexible, and many adjust to life abroad and want to stay. Swiss writer Max Frisch wrote, “We ask for workers. We got people.” The combination of employers who want to retain experienced workers and guest workers who want to stay encouraged governments to link migrant rights to length of stay, converting strictly guest or temporary worker policies into probationary immigration programs.

Most European governments allowed guest workers during the 1960s and 1970s to become permanent residents with the right to form or unify families after five years. The US Bracero program did not offer immigrant status, but Braceros soon learned to enter the US illegally, which saved them the cost of bribes in Mexico and their employers the cost of paying for worker transportation to the workplace.

### Benefits and Costs

Economies are larger and grow faster with more workers, so economic theory predicts that admitting guest workers will expand economic output. The benefits of guest workers are immediate, concentrated and measurable, while their costs are delayed, diffused and hard to measure.

Guest workers fill vacant jobs, immediately earning wages and adding

### Guest Workers Fill Jobs at All Rungs of the Job Ladder

## What is a Guest Worker?



**Many guest workers are unskilled.**

**Some, however, are highly-skilled**

**A person who works temporarily in another country.**

Source: <https://marketbusinessnews.com/financial-glossary/guest-worker/>

to output. These economic benefits are measurable in wages and GDP and are concentrated in the hands of migrants, their employers and complementary local workers, as when migrant farm workers who harvest crops create or preserve jobs for local workers who deliver crops to packing houses.

The costs of guest workers tend to be delayed until migrants settle and form or unite families. In “pure” guest worker programs, all migrants arrive without family members and are workers, and jobless migrants must leave. If employers provide housing for migrants, and employers and migrants pay taxes on migrant wages, non-migrants benefit as migrants pay more in taxes than they consume in tax-supported benefits. This fiscal balance can change as the migrant population changes to resemble the local population, adding children and the elderly who often receive tax-supported benefits.

These delayed migrant costs are often diffused and hard to measure. Migrants in employer-provided accommodations may be largely invisible to host populations, while those who move into regular hous-

ing and whose children attend local schools are much more visible. Interactions between migrants and local residents can be smooth or strained. When there are conflicts over issues that range from language to loyalty to religion, should they be considered costs of labor migration? If yes, how can such costs be measured and addressed?

### Substitute for Irregular Migration

During the 20th century, guest worker programs were seen as benefiting migrants who earned higher wages and host country employers who got jobs filled. The development potential of labor migration for labor-sending countries was cited by some host-country policy makers, but the major emphasis was the win for migrants and the win for host countries, rather than a triple win that included labor-sending countries.

Guest worker programs today have new or modified goals that include reducing irregular migration and jump-starting development. Many countries richer than their neighbors are dealing with irregular migration, and a frequent argument for more guest workers is that opening doors

### Many Mexican Villages Have Remittance-Built Houses



Source: <https://www.economist.com/1843/2019/08/20/the-mexican-mcmansions-that-dream-of-america>

to legal guest workers will reduce irregular migration.

It is logically correct that a sufficiently large guest worker programs should substitute for some or all irregular migration. However, there may not be one-to-one substitution for many reasons, including the fact that the existence of guest worker programs may inspire more people to consider working abroad. If there are not enough options for legal labor migration, irregular migration may increase. The existence of remittance-built housing in migrant areas of origin sometimes may raise expectations and encourage more people to emigrate.

This addition rather than substitution effect occurred during the 1942-64 Mexico-US Bracero program. Over 22 years of legal labor migration, there were more apprehensions of Mexicans in the US, 5.3 million,

than of Bracero admissions, 4.6 million. During the war years of 1943 and 1944, the number of Bracero admissions was two to four times the number of apprehensions, but the admission-apprehension ratio reversed in the late 1940s, when US farmers encouraged experienced Braceros to cross the border illegally so that they did not have to pay for transportation expenses and government fees.

Apprehensions were up to ten times higher than admissions from 1947 through 1955, when “Operation Wet-back” removed over a million legal and unauthorized Mexicans and the US government made it easier

to employ legal Braceros. Bracero admissions exceeded apprehensions by ten-to-one as the Bracero program wound down in the late 1950s and early 1960s, a period during which enforcement efforts were intensified.

This means that the Bracero experience can be used to tell two very different stories. During the late 1940s and early 1950s, apprehensions exceeded admissions, but during the late 1950s and early 1960s, admissions exceeded apprehensions. The main lesson is that there is no “law” to ensure that opening legal channels to guest workers will reduce irregular migration.

### More Mexicans were Apprehended Between 1942 and 1964 than Were Admitted as Braceros

Year	Braceros	Apprehensions	Mexican Immigrants
1942	4,203	11,784	2,378
1943	52,098	11,175	4,172
1944	62,170	31,174	6,598
1945	49,454	69,164	6,702
1946	32,043	99,591	7,146
1947	19,632	193,657	7,558
1948	35,345	192,779	8,384
1949	107,000	288,253	8,803
1950	67,500	468,339	6,744
1951	192,000	509,040	6,153
1952	197,100	528,815	9,079
1953	201,380	885,587	17,183
1954	309,033	1,089,583	30,645
1955	398,650	254,096	43,702
1956	445,197	87,696	61,320
1957	436,049	59,918	49,321
1958	432,857	53,474	26,721
1959	437,643	45,336	22,909
1960	315,846	70,684	32,708
1961	291,420	88,823	41,476
1962	194,978	92,758	55,805
1963	186,865	88,712	55,986
1964	177,736	86,597	34,448
<b>Total</b>	<b>4,646,199</b>	<b>5,307,035</b>	<b>545,941</b>

Note: Bracero admissions and apprehensions count events rather than unique individuals. An estimated one to two million Mexicans were Braceros over 22 years, and an unknown number of Mexicans were apprehended several times.

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