



Are Guest Worker Programs the Future of Migration?

Digital Development Dialogue
24.10.2024 Seminar Summary

Are guest worker programs beneficial for migrants and receiving nations? In this Digital Development Dialogue, **Suresh Naidu**, Professor of International and Public Affairs and Economics at Columbia University, and **Lara White**, Senior Labour Migration Specialist at the International Organization for Migration, **explored** the opportunities and challenges of these programs. Suresh shared findings from his experimental research on the costs and benefits of guest worker programs in the UAE-India corridor. Lara, drawing from her extensive field experience, offered insights and policy recommendations to enhance the design and impact of migration governance and guest worker programs.

Drawing on economic theories on guest worker programs, Suresh Naidu presented evidence from a randomized controlled trial he conducted with Yaw Nyarko and Shing-Yi Wang. Conducting the first experimental investigation in this field, they surveyed potential migrants in India, randomizing job offers in the United Arab Emirates among qualified applicants and collecting data through four interview rounds. The study focused on the benefits and costs of guest worker migration, particularly earnings, employment outcomes, job procurement costs, and impacts on well-being and job conditions. While guest workers saw high financial returns, significant costs were reported, such as agent fees and decreased well-being due to physically demanding work and harsh climates. Contrary to media portrayals, they found no evidence of high debt or worker misperceptions. Suresh concludes that guest worker migration remains limited by low wages and uptake rates, suggesting that improved labour standards could encourage greater participation.

Starting from an overview of global labour mobility and policy instruments, Lara White examined the pros and cons of temporary worker schemes. She highlighted how these programs can reduce irregular migration, address labour shortages, expand livelihood options through skill and capital transfer, and support climate adaptation strategies. However, she also noted significant challenges, such as exploitative recruitment practices, "permanently temporary" worker statuses, family separation, and downward pressure on local labour markets. To address these issues, Lara proposed: i) creating permanent migration pathways, including family migration options; ii) ensuring migrants' freedom of movement and employer flexibility; iii) providing labour rights and protections for migrants and nationals alike; and iv) improving regulation and enforcement across jurisdictions.

In the Q&A session, a participant asked how to design gender-responsive migration policies. Suresh emphasized the need for regulation and the role of independent organizations in the area, noting that female migrants often work in unregulated sectors, such as domestic work. Building on this discussion, Lara stressed that labour inspectors should be separate from immigration authorities to prevent fear among migrants and encourage reporting of exploitative conditions. Another participant asked if it is economically feasible for employers to improve migrant working conditions. Lara responded that if better conditions increase costs of foreign labor and consequently make hiring local workers more appealing, then this should be prioritized. In that respect, temporary worker programs should not justify substandard jobs.

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