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The Political Economy of International Labour Migration: Labour Mobility, Unequal Development and Migrant Rights

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Abstract

International labour migration has become an integral part of the global political economy, connecting workers, employers and households across national borders. Yet the international movement of labour remains subject to extensive state regulation, creating a tension between economic demand for migrant workers and political efforts to control mobility. This article examines that tension through a political-economy approach, focusing on labour-market segmentation, migrant vulnerability, skilled migration, remittances, temporary migration and international governance. It argues that migration regimes do not merely regulate movement; they also shape workers' bargaining power and influence how the economic benefits and costs of migration are distributed. Where legal pathways do not correspond to labour demand, irregular migration and employment insecurity may become more persistent. The article further argues that the developmental effects of migration depend upon the institutions governing recruitment, employment, remittances and skills circulation. A more sustainable migration regime therefore requires accessible legal pathways, fair recruitment, enforceable labour rights, social protection and effective international cooperation.

Keywords: international labour migration; migrant workers; political economy; labour mobility; migration governance; migrant rights; remittances; temporary migration; development

1. Introduction

International labour migration is a significant component of the contemporary global economy. Workers move across national borders in search of employment, higher incomes, improved working conditions and greater economic security. Employers recruit internationally where domestic labour supply is insufficient or where particular skills and forms of labour are difficult to obtain locally. Households may depend upon the income generated through migration, while states increasingly incorporate migration into policies concerning employment, demographic change, development and social protection.

The scale of international migration demonstrates its structural importance. According to the United Nations Department of Economic and Social Affairs (UN DESA), approximately 281 million people were living outside their country of birth in 2020, representing 3.6 per cent of the world's population (UN DESA, 2020). This figure refers to the international migrant stock rather than the number of people migrating during a particular year. It therefore provides a measure of the population living outside their country of birth rather than a measure of annual migration flows.

The labour dimension is equally significant. The International Labour Organization (ILO) estimated that 169 million people were international migrant workers in 2019. They constituted approximately 4.9 per cent of the global labour force, making migrant workers a substantial component of labour markets in destination countries (ILO, 2021).

These figures point towards a central contradiction within globalisation. Economic production, capital and supply chains have become increasingly international, but the movement of workers remains strongly dependent upon national systems of immigration control. A firm may organise production across several countries, whereas an individual worker normally requires state authorisation to enter another country's labour market.

This distinction gives states considerable influence over the conditions under which labour mobility occurs. Governments determine who can enter, which occupations are eligible for recruitment, how long migrants may remain and, in many cases, whether workers may change employers. Migration policy therefore operates not only as a system of border control but also as an institution affecting labour-market relations.

The political economy of migration is consequently concerned with more than the movement of people. It concerns the distribution of economic opportunities, the organisation of labour and the institutional conditions under which workers participate in national economies.

The central argument developed here is that contemporary migration regimes are characterised by selective mobility. States do not simply choose between open and closed borders. Instead, they construct differentiated systems that facilitate particular forms of migration while restricting others. Highly skilled professionals may receive preferential treatment, while workers employed in agriculture, construction, hospitality, domestic work and care may encounter more restrictive or temporary arrangements despite continuing labour demand in these sectors.

Such differentiation affects the bargaining power of migrant workers. A worker whose residence depends upon a particular employer may have fewer opportunities to challenge poor working conditions than a worker with unrestricted employment rights. Similarly, when legal migration channels are inadequate in relation to labour demand, irregular employment may emerge as an institutional response to the mismatch.

This article therefore examines international labour migration as a relationship between labour markets, state regulation and unequal development. It considers five interconnected questions. First, how does international migration interact with the global organisation of labour? Second, how do immigration systems affect migrant workers' bargaining position? Third, what are the developmental consequences of skilled migration and remittances? Fourth, what are the implications of temporary labour migration? Finally, what can international migration governance achieve in a system in which states retain substantial authority over admission and residence?

The analysis does not assume that migration is inherently beneficial or harmful. Migration can expand employment opportunities, increase household income and provide destination economies with workers and skills. At the same time, migrants can experience recruitment costs, insecure employment, discrimination and restricted access to social protection. The consequences depend heavily upon the institutional arrangements through which migration is organised.

2. International Labour Migration and the Global Political Economy

International labour migration has to be understood within the wider transformation of the global economy. Production is increasingly organised through cross-border networks involving firms, suppliers, workers and consumers located in different jurisdictions. Labour, however, remains more tightly connected to territorial institutions than capital or commodities.

This asymmetry has important consequences. A company can relocate production or recruit internationally, but individual workers generally cannot enter a foreign labour market without meeting the legal requirements established by the destination state. The international labour market is therefore not a single integrated market. It is divided by borders, immigration regimes and differences in legal status.

The distribution of migration itself reflects global inequalities. International migration is concentrated in particular corridors and destination regions, and migrants do not possess equal opportunities to move. Economic resources, legal status, education, nationality and access to recruitment networks affect the ability to migrate through regular channels.

The political economy of migration is therefore partly a political economy of access. Two workers with comparable skills may have very different opportunities to enter the same labour market because they possess different nationalities or occupy different visa categories.

This institutional differentiation has implications for employers as well. Employers do not encounter an undifferentiated international labour supply. They operate within immigration systems that determine which workers are available and under what conditions.

The relationship between immigration policy and labour demand can consequently be understood as mutually constitutive. Labour shortages may encourage governments to expand particular migration channels, while political opposition to immigration may constrain those channels even when employers continue to report demand for migrant labour.

The result is a system in which labour mobility is economically necessary in some sectors but politically restricted in others.

3. Selective Mobility and Labour-Market Segmentation

Migration regimes commonly distinguish between categories of workers according to education, occupation, income, nationality and expected economic contribution. Such differentiation can produce a segmented system of international labour mobility.

Highly skilled workers may benefit from specialised visa programmes because destination states regard their skills as economically valuable. Professionals may also have greater capacity to negotiate employment conditions because they possess skills that are scarce in the destination labour market.

Workers in lower-paid occupations occupy a different position. Their work may be essential to agriculture, construction, domestic services, hospitality, logistics and care, but their occupations may receive less favourable treatment within immigration systems.

This distinction between formally recognised skill and economically necessary labour requires careful examination. A worker's occupation may be classified as low-skilled even when the work is indispensable to the functioning of a particular sector.

The ILO's 2019 estimates show that international migrant workers are distributed across a wide range of sectors and that services constitute a particularly important area of migrant employment (ILO, 2021).

The consequences extend beyond employment statistics. Where workers occupy different immigration categories, they may possess different rights even when they perform similar tasks.

This can contribute to labour-market segmentation. Employers may have incentives to recruit workers who possess limited bargaining power, particularly where immigration status restricts employment mobility. Migrant workers may accept conditions that they would otherwise reject because the consequences of unemployment can extend to their right to remain in the country.

The relationship between immigration status and employment status is therefore central to understanding migrant vulnerability.

4. Legal Mobility, Irregular Migration and the Labour Market

Irregular migration is frequently discussed primarily in terms of border control. From a political-economy perspective, however, irregularity must also be considered in relation to labour demand.

When employers require labour but legal migration channels are insufficient, a gap can emerge between formal immigration policy and the functioning of labour markets. Workers may attempt to enter or remain outside regular channels because employment opportunities continue to exist.

This does not mean that all irregular migration results from labour demand, nor that migrants should be understood simply as responses to economic incentives. Political conflict, family circumstances, insecurity and other factors also influence migration decisions. The point is narrower: immigration restrictions do not necessarily eliminate the economic demand that encourages migration.

Irregular status can nevertheless create significant vulnerabilities. Workers may be reluctant to report wage theft, unsafe conditions or other violations when contact with authorities could expose them to immigration enforcement.

The problem can also arise in apparently regular migration systems. If residence is tied closely to a particular employer, the worker may possess formal legal status but limited practical freedom to leave the employment relationship.

This distinction between formal legality and substantive security is essential. A migration system can be legally regular while still creating conditions in which workers have weak bargaining power.

The regulation of recruitment is therefore important. Migration often involves economic costs before employment begins, and these costs can influence the subsequent relationship between workers and employers.

The ILO's fair-recruitment principles emphasise that workers should not be charged recruitment fees or related costs and call for effective regulation of recruitment processes (ILO, 2019).

Where workers incur substantial recruitment debt, they may become less willing to reject abusive employment conditions. Recruitment is therefore not a peripheral administrative matter; it can affect the distribution of power throughout the employment relationship.

5. Migrant Workers, Labour Rights and Bargaining Power

Migrant workers are workers before they are statistical categories. Their economic position depends upon wages, working conditions, employment security and access to institutions capable of enforcing rights.

The practical protection available to migrant workers varies substantially across migration systems. Some workers possess relatively secure residence and employment rights, while others may be tied to particular employers or temporary contracts.

Employer dependency is particularly significant. When the loss of employment can also threaten legal residence, workers may face stronger incentives to remain in difficult employment relationships.

This creates a structural imbalance in bargaining power. The employer possesses not only economic authority within the workplace but, indirectly, influence over the worker's migration status.

Labour rights are consequently difficult to separate from immigration rights. Wage legislation, occupational safety standards and social protection are less effective if workers cannot safely report violations or seek legal remedies.

Fair recruitment is another component of labour protection. Recruitment fees can transfer migration costs from employers to workers and create debt before the employment relationship begins. The ILO's international guidelines seek to establish principles for preventing such practices and promoting transparent recruitment (ILO, 2019).

Collective organisation can also alter bargaining relations. Trade unions and other worker organisations can provide information, representation and collective bargaining capacity that individual migrants may lack.

The Global Compact for Safe, Orderly and Regular Migration recognises this relationship by referring to fair recruitment, decent work, social protection, skills development and the role of employers and workers within its framework (United Nations, 2018).

The protection of migrant workers should therefore be integrated into labour-market governance rather than treated exclusively as a humanitarian or immigration issue.

6. Skilled Migration and the Problem of Unequal Development

The migration of skilled workers creates a more complex relationship between mobility and development.

Countries of origin invest in education and professional training, while destination countries may benefit from the resulting human capital. When trained professionals migrate, origin countries can experience shortages in sectors such as healthcare, education and public administration.

The conventional concept of "brain drain" captures one part of this process but does not explain all of its consequences.

Migration can also generate remittances, professional networks, knowledge transfer and opportunities for return migration. Skilled migrants may maintain institutional relationships with their countries of origin even when they establish their careers abroad.

The developmental effects therefore depend upon the institutional context in which mobility occurs.

The key policy question should not simply be whether skilled workers leave. Individual mobility is a legitimate component of international labour markets, and attempts to prevent it completely may be both impractical and undesirable. The more relevant question is whether international recruitment creates systematic shortages in essential sectors and, if so, what mechanisms can reduce those effects.

Possible responses include investment in training capacity, ethical recruitment, professional partnerships, opportunities for temporary return and mechanisms through which migrants can contribute knowledge without permanently relocating.

The issue is particularly significant in health and education because shortages of professionals can have consequences beyond individual employment. The loss of trained personnel can affect the capacity of public institutions to deliver essential services.

Skilled migration should therefore be understood as a relationship between individual opportunity and unequal institutional capacity across countries.

7. Remittances and the Political Economy of Development

Remittances represent one of the most direct economic links between international labour migration and households in countries of origin.

Data from the World Bank (2023) notes a 3.8% increase in remittance streams into developing economies, culminating in nearly $669 billion over the course of the fiscal year (World Bank, 2023).

The importance of these flows extends beyond their aggregate value. At household level, remittances can finance food, housing, education, healthcare and other expenditures. They may also provide a degree of protection against unemployment and economic insecurity.

At the national level, remittances can contribute to foreign-exchange availability and support external balances. Their significance is particularly visible in countries where a large share of the working-age population is employed abroad.

Nevertheless, remittances should not automatically be equated with development.

Household transfers can improve welfare without transforming the productive structure of the domestic economy. A country may receive large remittance inflows while continuing to experience inadequate employment opportunities, weak public services and persistent inequality.

Migration costs also affect the developmental value of remittances. If workers finance migration through substantial debt or pay excessive recruitment fees, a significant proportion of their earnings may be absorbed by migration-related costs.

The political economy of remittances therefore requires attention to both the amount transferred and the institutional conditions under which those transfers are generated.

The appropriate objective is not to make economies dependent upon remittances but to ensure that migration-related income contributes to household security while domestic policy continues to expand productive employment and public investment.

8. Temporary Labour Migration

Temporary labour migration occupies an increasingly important position within migration policy because it allows destination countries to obtain labour without necessarily creating a pathway to permanent settlement.

For destination governments, temporary programmes can appear to reconcile labour-market requirements with political demands for immigration control. For workers, they can provide access to higher wages and employment opportunities unavailable in their countries of origin.

However, temporary status can also generate dependency.

A worker may have legal permission to work but possess limited ability to change employers or sectors. If the worker's residence permit depends upon a particular employment relationship, the employer can acquire considerable influence over the worker's economic and legal position.

The political-economic problem is therefore not temporariness by itself. Temporary migration can be mutually beneficial when contracts are transparent, recruitment is fair and workers possess effective rights. The problem arises when temporary status is combined with restrictions that reduce workers' ability to bargain.

A rights-based temporary migration regime should therefore address wages, occupational safety, recruitment costs, employer mobility, social protection and access to justice.

The ILO's framework on fair recruitment and its wider labour-migration standards provide a useful basis for assessing such programmes. The Global Compact also explicitly links regular migration pathways with decent work and fair recruitment and calls for mechanisms concerning the portability of social-security entitlements (United Nations, 2018).

Temporary migration should consequently be assessed not only by the number of workers admitted but by the institutional quality of their employment.

9. Gender and International Labour Migration

Gender is an important dimension of international labour migration because women and men are distributed differently across occupations, sectors and migration pathways.

Women participate extensively in service-sector employment and are particularly visible in care and domestic work. Such occupations can involve private workplaces and relatively weak forms of collective representation, potentially increasing workers' vulnerability.

The gendered organisation of migration is therefore connected to the organisation of social reproduction. As households in destination countries experience changes in family structure, ageing and labour-force participation, demand for paid care and domestic services can increase.

Migrant women may consequently perform work that is socially essential but economically undervalued.

A gender-sensitive migration regime must address wages, working conditions, discrimination, violence, recruitment practices and access to social protection. It should also recognise that workers employed in private households can face particular difficulties in accessing labour inspection and collective organisation.

The broader point is that migration does not eliminate existing inequalities in labour markets. It can reproduce and, under some conditions, intensify them.

10. International Governance of Migration

International migration creates a governance problem because migration crosses borders while states retain substantial authority over admission, residence and citizenship.

The governance system is consequently distributed across several institutions and legal frameworks. States establish national immigration rules; the ILO develops labour standards; the United Nations provides international frameworks; and organisations such as the IOM contribute to research, policy development and migration management.

The Global Compact for Safe, Orderly and Regular Migration, adopted in 2018, represents an important attempt to establish a cooperative international framework. It contains 23 objectives addressing migration data, drivers of migration, regular pathways, recruitment, migrant vulnerabilities, border management, skills, development, remittances, social-security portability and international cooperation (United Nations, 2018).

The Compact is explicitly non-legally binding and preserves the sovereignty of states over migration policy. This characteristic is central to understanding both its value and its limitations. It establishes common principles without creating a supranational authority capable of compelling states to implement a uniform immigration policy.

Its significance therefore lies primarily in coordination. Migration involves countries of origin, transit and destination, and unilateral policy cannot address all aspects of recruitment, labour mobility, remittances, return and social protection.

The Compact also recognises the relationship between migration and development. Its objectives include facilitating regular migration pathways, promoting fair recruitment, enabling migrants and diasporas to contribute to development, reducing remittance costs and improving portability of social-security entitlements (United Nations, 2018).

Nevertheless, the implementation of these objectives remains dependent upon national institutions.

11. Migration Governance and Policy Coherence

The effectiveness of migration policy depends partly upon coordination between institutions that are frequently administered separately.

Immigration authorities focus on entry and residence. Labour ministries regulate employment conditions. Social-security institutions administer benefits. Foreign ministries negotiate bilateral agreements. Employers recruit workers, while trade unions and migrant organisations represent workers' interests.

When these institutions operate without coordination, migration policy can produce unintended outcomes.

For example, a government may create a temporary migration programme to address labour shortages without adequately regulating recruitment costs. Workers may therefore enter legally while becoming indebted to recruiters.

Similarly, a government may restrict immigration while maintaining labour-market demand that encourages employers to seek workers through informal channels.

Policy coherence requires migration policy to be connected to labour-market regulation.

The Global Compact's emphasis on regular pathways, fair recruitment, decent work, skills recognition, social protection and international cooperation reflects this broader approach (United Nations, 2018).

The participation of workers and employers is also important. Migration policy is ultimately implemented in workplaces, and institutional design is more likely to reflect actual labour-market conditions when employers, trade unions and migrant representatives contribute to policy development.

Migration governance should therefore be understood as a form of labour-market governance as well as border governance.

12. Towards a More Coherent Labour-Migration Regime

A more effective migration regime requires a closer relationship between labour-market demand, regular mobility and workers' rights.

First, legal migration pathways should reflect identifiable labour-market requirements. Where sustained labour shortages exist, governments should develop transparent recruitment mechanisms rather than relying primarily upon restrictive policies.

Second, recruitment should be regulated before workers cross borders. The ILO's principles of fair recruitment provide a basis for preventing excessive recruitment charges and improving transparency (ILO, 2019).

Third, migrant workers should have meaningful access to labour rights. Legal status should not become a mechanism through which employers can prevent workers from reporting violations or changing employment.

Fourth, temporary migration programmes should include safeguards against excessive employer dependency. Workers should have reasonable mechanisms for changing employers and obtaining legal remedies.

Fifth, social protection should be made as portable as possible. The Global Compact specifically identifies portability of social-security entitlements and earned benefits as an international policy objective (United Nations, 2018).

Sixth, origin and destination countries should address the developmental implications of skilled migration jointly. International recruitment should not systematically weaken essential public services in countries already experiencing professional shortages.

Seventh, migration policy should be based upon reliable and disaggregated data. The Global Compact places data collection among its first objectives precisely because effective migration policy depends upon accurate evidence rather than political assumptions (United Nations, 2018).

Finally, international cooperation should complement rather than replace national labour institutions. International standards are meaningful only when translated into enforceable employment rights and effective administrative practices.

13. Conclusion

International labour migration is a structural feature of the global political economy. Its significance lies not merely in the number of people who cross borders but in the institutional relationships created when workers enter labour markets outside their countries of origin.

The contemporary migration system is characterised by selective mobility. States facilitate some forms of migration while restricting others, often according to occupation, skill, nationality and perceived economic value. This produces differentiated forms of access to labour markets and can influence workers' bargaining power.

The political economy of migration becomes particularly visible when immigration status is connected to employment. Workers whose right to remain depends upon a specific employer may possess less capacity to challenge poor conditions than workers with greater mobility. Recruitment costs can further deepen this vulnerability by transferring the financial burden of migration onto workers.

Irregular migration must therefore be understood partly in relation to institutional mismatches between labour demand and legal mobility. Restrictive immigration systems may limit legal entry without eliminating the economic demand for migrant labour.

Migration also produces contradictory developmental consequences. Skilled migration can generate individual opportunities and transnational knowledge networks while creating shortages in countries of origin. Remittances can substantially improve household welfare and provide significant financial flows to developing economies, but they cannot substitute for domestic employment, public investment and effective development institutions.

Temporary migration similarly involves both opportunity and risk. It can provide workers with access to employment while allowing destination countries to respond to labour shortages. Yet when temporary status is combined with employer dependency and weak labour protection, it can reinforce unequal bargaining relationships.

International governance has attempted to respond to these tensions. The Global Compact for Safe, Orderly and Regular Migration provides a framework of 23 objectives covering regular pathways, recruitment, migrant protection, skills, remittances, social protection and international cooperation (United Nations, 2018).

Its limitations are inherent in the international system itself. States retain authority over admission and residence, while the Compact remains non-legally binding. International cooperation can establish principles and facilitate coordination, but implementation ultimately depends upon national institutions.

The central issue is consequently one of institutional design and distribution of power. Migration can create economic gains for workers, employers and households, but those gains are not distributed automatically. Immigration rules, recruitment systems, labour regulations and social-protection institutions determine who benefits and who bears the costs.

A more sustainable migration regime should therefore combine regular and accessible mobility with fair recruitment, effective labour rights, social protection and meaningful international cooperation. The objective should not simply be to increase or decrease migration. It should be to construct institutional conditions under which international mobility contributes to economic opportunity without depending upon systematic labour vulnerability.

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