Marxism and Migration

Through the inequalities it generates, through the opportunities it provides, through the ever faster transport and communication it facilitates, world capitalism has brought about an unprecedented pressure towards the migration of both capital and people across national boundaries. Free movement is obviously a major factor in equalizing conditions on a world scale. On the other hand, it is in the interest of the affluent countries' capitalists, who are bound to gain from the availability of cheap immigrant labour and of investment opportunities abroad. And it is, on the contrary, against the interest of the affluent countries' workers, whose jobs and living conditions are most likely to suffer from the presence of immigrants and whose bargaining power is bound to be badly affected by capital's credible threat to move out.

So, what constitutes a coherent, defensible ethical standpoint about this increasingly acute issue? Can the Marxist tradition be of any help in articulating such a standpoint? Does it contain conceptual resources that could be fruitfully recycled for this purpose?

7.1. Four Marxist stances

When screened with this question in mind, the Marxist tradition can readily be shown to display four distinct - indeed mutually exclusive - attitudes.

1. The task and achievement of Marxism is to unveil the laws of history. This provides no room whatever for raising ought-questions or engaging in
ethical debates. As Marx himself puts it in a famous passage, notions of right and wrong merely reflect the current mode of production. They do not provide standards for judging it. True, this does not prevent a Marxist from talking about the migration of people and capital, nor indeed from asking whether such migration is "necessary". But he will then be asserting, for example, that immigration was needed to satisfy metropolitan capitalism's needs for additional labour power, or that capital exports serve the "function" of counteracting the tendency for the rate of profit to fall.

2. There is room for ought-questions, but at the most basic level, there is no specifically Marxist answer. For Marxism - or whatever there is in Marxism that is still usable - is not a normative system, but an analytical framework. When discussing matters of migration, therefore, Marxists do have policy recommendations to make on the basis of an analysis that can claim to bear some relation to Marx's admittedly sketchy remarks on the subject. But these recommendations take for granted policy objectives that are no different from those of a "global realist" for example.

3. There is room for ought questions, and there is a specifically Marxist answer to them: we ought to fight for a socialist revolution, itself a precondition for the ultimate achievement of full communism. But on such short or medium term issues as the migration of people and capital, ethical considerations are trumped by instrumental considerations. Whether a claim, an action, a policy is right or wrong is entirely determined by whether it helps society along towards the socialist revolution, for example by strengthening working class solidarity. Appeals to the raison de classe have here displaced any claim to fairness or morality.

4. Lastly, there is room for ought questions, and there is a specifically Marxist answer to them: socialism leading to communism. Moreover, the same ethical considerations which warrant the choice of this long-term aim also provide guidance for the ethical discussion of more immediate issues such as migration of people and capital.

In the remainder of this chapter, I shall say no more about the first stance, because I believe it is absurd, nor about the second stance, because it does not construe Marxism as an ethical tradition. I shall hardly say more about the third stance, because it is blatantly untenable. Why is it? Not because it is purely consequentialist - global utilitarianism might be untenable, but not blatantly so. Nor because there is an inconsistency between the cosmopolitan commitment
of people favouring universal socialism and the narrowly nationalistic recommendations often required by the tough-minded pursuit of socialism in one country - reculer pour mieux sauter is part of the stock and trade of strategic thinking. What is disturbing about this third stance at work is rather, more specifically, that it ruthlessly justifies sacrificing the interests of any number of current proletarians - for example, the potential Irish immigrants who should be kept out if the solidarity of the English working class is to be salvaged - for the sake of a hypothetical future event the fruits of which none of them is any likely ever to enjoy. ¹

Hence it is on the fourth stance that I shall concentrate in the rest of this chapter. The fact that this stance does not square with some, or even most of what Marx had to say on the subject, and hence that it may not be deemed "recognizably Marxist", is of decisive importance to the exeget, but of hardly any interest to the recycler. For one to be entitled to call Marxism what is being recycled, it is enough that some aspect of some self-described Marxist tradition serves as one major source of inspiration. This condition, I believe, is uncontroversially fulfilled in the following discussion.

7.2. Citizenship exploitation

Among Marxist notions with ethical connotations, exploitation is second to none in either theoretical or practical prominence. According to the conventional definition, a group of people is exploited (exploits) if it contributes more (less) labour value - i.e. socially necessary labour - to production than it appropriates - or, more generally, than it can (must) appropriate - through its income. The notion of labour value which plays a central role in this definition raises a number of serious conceptual difficulties which have jettisoned the respectability of the conventional notion of exploitation. This is one of the reasons why John Roemer (1982) has undertaken to provide an alternative definition that would make no use whatever of the notion of value. Another reason is that the alternative definition seems to him to capture better the ethical intuition behind the notion - which makes it particularly relevant to our present purposes.

¹ See Elster (1985: 117-8).
Roemer (1982: part III) calls his definition the "property-relations definition" of exploitation and characterizes it in game-theoretical terms. No game theory is required, however, to understand the intuition underlying it. A group is *capitalistically exploited* (capitalistically exploits), on Roemer's definition, if it would be better off (worse off), other things remaining unchanged, if wealth were equalized. There is capitalist exploitation, in other words, if the unequal distribution of the means of production or, more generally, of alienable wealth, causally affects the distribution of income or, more generally, of material welfare. This notion can easily be extended beyond the case of capitalist exploitation by considering other types of assets. Roemer speaks of *feudal exploitation* to refer to the effect on income distribution of the fact that some people own or partly own other people. And he speaks of *socialist exploitation* to refer to the income-distributive effect of the unequal distribution of skills. The fundamental Marxist ethical imperative then consists in abolishing in turn these various forms of exploitation - first feudal, next capitalist, finally socialist. There is no reason, however, why the list should stop here: any other factor that affects the distribution of material welfare can in principle be used to define a new dimension of exploitation.  

This takes us straight to the heart of our subject. For in a borderless and frictionless world market economy, only endowments in wealth and skills will affect the equilibrium distribution of rewards. But if capital is less than perfectly mobile, and if people are not free to move to the areas where job prospects and wage rates are highest, then a third type of asset may affect the distribution of income more powerfully than wealth and skills. Depending on which country you are a citizen (or, sometimes, just a resident) of, your expected income can vary dramatically. I shall accordingly say that a group is *citizenship-exploited* (a citizenship-exploiter) if its expected income would go up (down) in the event that citizenship were equalized, i.e. if no special prerogative were attached to being a citizen of any particular country. Like feudal exploitation, citizenship exploitation pulls the distribution of income away from what it would be under pure market conditions, where only productive assets (wealth and skills) elicit differential rewards. The Marxist

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2 This point is argued in chapters 5 and 6 above.

3 The analogy between feudal serfs and citizens of poor countries, emphasized for example by Ann Dummet (1992) and Joseph Carens (1992), is thereby given a systematic framework.
ethical imperative requires that this form of exploitation too should be abolished. This generates at least a prima facie presumption in favour of anything that erodes the differential advantages attached to citizenship, most obviously the free movement of both people and capital.

7.3. Unequal exchange: three interpretations

Let us now sharpen this conclusion by briefly scrutinizing the widely used notion of "unequal exchange". Drawing more or less explicitly on Marx's (1863: 106) elliptic remarks about the "commercial exploitation of poor countries by rich countries", various authors have tried to analyze the relationship between developed and less developed countries as a systematically unequal exchange of goods. This systematic inequality may conceivably be due, first of all, to systematically asymmetric departures from perfectly competitive conditions. If metropolitan firms can take advantage of monopolistic or monopsonic positions to a larger extent than peripheral firms, the true value of goods travelling from the periphery to the centre will systematically exceed that of the centre-produced goods against which they are being traded. It is debatable whether such asymmetry is an intrinsic feature of the relation between rich and poor countries. It is one, in any case, which theoreticians of unequal exchange have tended to assume away, by postulating perfect competition.

On a second interpretation, the inequality in the exchange derives from unequal capital intensities. Take a situation in which international trade is perfectly competitive, while capital and labour are not free to move across borders. The countries with a higher (lower) capital/labour ratio will then maximize their income by specializing in more capital-intensive (labour-intensive) production, and the equilibrium prices will be such that the socially necessary labour incorporated in the goods imported by the capital-rich country will exceed that incorporated in the goods it exports. The control over more dead labour makes it possible for one country to appropriate through competitive trade more labour value than it gives away, i.e. to exploit its trading partner according to the conventional definition recalled in the

4 This interpretation is akin to the notion of international exploitation elaborated, for example, by Kolm (1969: esp. 853-4) and Cooper (1977: esp. 81-2).
Arguably, this second picture offers a somewhat better approximation of what is actually going on between rich and poor countries, even though one must bear in mind that, for present purposes, natural resources must be assimilated to capital. One essential feature of the picture, however, is the lack of free movement for labour and capital, a feature explicitly ruled out in standard statements of the theory of "unequal exchange".

This leads to a third interpretation, where differences in wage levels are given the key role. In Arghiri Emmanuel's (1969) original formulation, capital is assumed to move freely across borders, in such a way that the rate of profit tends to be equal all over the world. Since capital is perfectly mobile, one can no longer expect rich countries to systematically specialize in capital-intensive activities, and poor countries in labour-intensive activities. Labour, however, is not similarly mobile, and this lack of mobility - so Emmanuel believes - makes it possible to have very different wages for equally productive labour. Competitive trade with unequal wages is bound to generate unequal exchange, now understood as departure from the exchange of goods embodying equally precious bundle of factors, not necessarily from the exchange of equal amounts of socially necessary labour.

Unfortunately, this third interpretation is inconsistent. As Roemer (1983: sections 3-4) has neatly shown, there is a strict isomorphism, in a frictionless world, between capital mobility and labour mobility. Whether you let capital free to move and confine labour within closed borders, or free labour and confine capital, in either case both the rate of profit and the wage rate will be equal at equilibrium all over the world. In this sense, the international capital market and the international labour market are perfect substitutes, functional equivalents. The real world, of course, is far from frictionless in the required sense. In particular, movement of capital and labour is not fully determined by a straightforward maximization of expected profits or wages. But as frictions enter the picture and hinder either the free migration of capital or the free migration of people, both the tendency towards a uniform rate of profit and the tendency towards a uniform wage rate are attenuated.

In this light, Emmanuel's assumption of perfect capital mobility and equal rates of profit appears plainly inconsistent with his assumption of unequal

5 For an explicit model, see Roemer 1983: section 2.
wages. Yet there is one way of reconstructing the analysis so as to restore consistency. It consists in assuming - contrary to Emmanuel's (1969: 205; 1975: 351) own explicit statements - that differences in wage levels are matched by differences in labour productivity. There is then no tension left between equal profit rates and unequal wages. Productivity differences need not be due to "intrinsic" features of the various countries' labour power. They may be related to physical circumstances (the fertility of the soil, the climate) or to cultural conditions (the work ethic, the relation to time) which account for the fact that the "same" labour power is unequally productive in different contexts. (There may or may not be in addition an "efficiency wage" positive feedback: those who get lesser wages because they are less productive are also less productive because of the poorer living conditions under which they have to live because of their lesser wages.) Such differences are compatible with perfect capital mobility, and also with "open borders" for labour, but not with perfect labour mobility: something must durably prevent workers from taking advantage of the open borders, by moving to places where physical and cultural conditions make for both higher productivity and higher wages. This may simply be the fact that wages are not the only thing in the world they care about, and that attachment to their native place and culture may make them forego a significantly higher money income.

If differences in wages match differences in productivity, one can safely predict that, with a given capital content, more labour will be embodied in the goods exported by the poor countries than in the goods against which they are traded at competitive prices. But not only does this "unequal exchange" fail to qualify as an exchange of unequal amounts of labour value: less productive labour corresponds to a lesser amount of socially necessary labour. It can no longer be construed either as an exchange of goods embodying unequal amounts of precious factors: less productive labour is economically less precious than more productive labour. Poor countries, therefore, are not cheated by "unequal exchange" under the third interpretation (appropriately reconstructed). It is not only the case that poor countries gain (in welfare terms) from this exchange, possibly more than their trading partners. It is not only the case that making the exchange more "equal" in terms of amounts of embodied

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\[6\text{This is usually taken into account even in the most simplistic economic models of labour migration. See e.g. Stark (1991) for a recent survey.}\]
labour may be counterproductive, as rich countries may find it advantageous to turn to the next best home-produced substitute. Making the exchange more "equal" in this sense would even make it less fair on any sensible evaluation of what is being exchanged.

It does not follow, of course, that there is no unfairness associated to the coexistence of high- and low-wage countries. But this unfairness is best expressed not as unfair exchange or commercial exploitation between the two sets of countries, but rather as an unequal distribution of assets, here of whatever it is that accounts for the systematic differences in labour productivities.

7.4. Capital mobility and the fundamental injustice of world capitalism

What are the implications of this rather abstract discussion of "unequal exchange" for our ethical discussion of the transnational migration of people and capital. Firstly, if citizenship exploitation is defined in terms of job prospects and wage levels (for people with a given productivity), we have seen that, in a "frictionless" world economy, it could be abolished by either the opening of all borders to the migration of capital, or the opening of all borders to the migration of people. Now, it has often been pointed out that a massive uprooting of people under the pressure of economic necessity does not sound like a terribly clever way of attempting to deal with international economic inequalities. The good news encapsulated in Roemer's isomorphism is that, at least in a "frictionless" economy, there is no need for this painful process, because there is a perfect substitute for it. This is not a massive altruistic transfer of resources in the form of "development aid", but the unconstrained movement of capital in search of higher profits. This sounds particularly good news today, as we keep hearing that money is becoming increasingly slippery and that its movements are ever harder to control, so that - whether we like it or not - borders are more open to capital flows than they have ever been.

7 As stressed for example by Barry (1979: 65-7).

8 See, for example, Carens (1992).

9 See, for example, Strange (1992).
In the real world, "frictions" will of course prevent capital movements from getting rid of citizenship exploitation altogether. Paramount among them is the "political risk" associated with investment in "unstable" countries. Lower equilibrium wage rates will prevail in those countries in which firms will need a higher rate of profit or lenders a higher rate of interest to offset the risk of expropriation, destruction, labour unrest, default, etc. But as more "artificial" obstacles to capital movements are removed, a country's marginal gain from increased stability (or, more generally, from investor-friendliness) will grow, and hence also its incentive to reduce political risk. This will strengthen the tendency towards a uniform rate of profit and uniform wage rates, thus further reducing citizenship-based inequalities without any need for the migration of people.

A second implication of the above discussion is that even if citizenship exploitation were completely abolished (whether through free capital migration or through free labour migration), the unfairness inherent in a world capitalist economy would not be eradicated. Removing all obstacles to the transnational migration of capital (or people) would allow workers in poor countries to share in the benefits currently enjoyed by workers in rich countries by eroding all those wage differentials that are not the reflection of unequal labour productivities. But of two countries with equally large populations, one would keep appropriating a larger share of the world product because of the superior wealth held by its citizens (be it invested abroad) or because of the superior productivity of its workforce (whether due to its skills or to environmental conditions). The forms of exploitation intrinsically linked to capitalism, therefore, would remain undiminished.

On this basis, it is tempting to infer that it is not such "imperfections" of the world capitalist economy as the existence of closed borders, that constitute its "fundamental" injustice. But we must beware of not being carried away by sheer rhetorics. Nothing in what has just been said rules out that citizenship exploitation may be more relevant than wealth-based or skills-based exploitation in either or both of the following senses. Citizenship status may exert a quantitatively more powerful influence on the distribution of material welfare than wealth status or skill status. Moreover, reducing by a given amount the material advantages associated to citizenship (by letting capital out, admittedly not by letting people in) may also be more feasible, or less counterproductive, than reducing by the same amount those associated to wealth or skills. There are circumstances, therefore, under which the Marxist
ethical imperative, construed as the abolition of exploitation, should assign priority to the promotion of international capital mobility (to get rid of citizenship exploitation) over the struggle for socialism (to get rid of wealth exploitation).

7.5. Popular sovereignty

I have assumed so far that the reason why Marxists favoured socialism is that it would enable us to get rid of capitalist exploitation, itself an instance of a broader phenomenon of exploitation, which the central Marxist ethical principle tells us must be abolished. Some Marxists could meaningfully argue, however, that what underlies their commitment to socialism is not their concern with exploitation but their concern with popular sovereignty. Popular sovereignty can be defined as the actual capacity to implement a democratic polity’s preferred choice among technically feasible options. It is obviously limited by the private ownership of the means of production. Suppose, for example, that it would be technically possible to introduce tougher norms of environmental protection or work safety at a slight cost in terms of average income, and that this is what a majority would like to happen. The negative effect on profits that would result from such measures, however, may trigger off private capital flight or a domestic investment strike on such a scale that the price to be paid for the measures (in terms of national income) becomes prohibitive. A democratically preferred and technically feasible option is thus made unfeasible by the response of private capital owners. Some may rejoice at this welcome discipline, but not those who find popular sovereignty an important objective. Under public ownership of the means of production - so the pro-socialism argument goes -, this shrinking of society's feasible set would be avoided, popular sovereignty would be enhanced.

If popular sovereignty is the aim, other measures falling short of or going beyond the nationalization of the means of production are equally legitimate. If socialism is not possible, or if introducing it would be counterproductive, the democratic will's room of manoeuvre may be expanded by hindering the exit of capital, perhaps by imposing exchange controls or a tax on repatriated profits.

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10 See Przeworski & Wallerstein (1986).
And once socialism has been introduced, one may further expand this room of manoeuvre by hindering the exit of skilled labour, perhaps through a stingy rationing of exit visas or through the compulsory reimbursement of what the state spent on an emigrant's education. We can now see that the implications for the transnational migration of people and capital is exactly the opposite of the one that emerged from the perspective explored in the previous three sections. If what matters is the abolition of all forms of exploitation, including citizenship exploitation, there is a strong presumption in favour of open borders. But if what matters is the protection of popular sovereignty, there is an equally strong presumption against them. Are the underlying perspectives inescapably inconsistent, or is there a possibility for reconciliation?

My own view is that the two perspectives are contradictory if the objectives they focus on - the abolition of exploitation, the protection of popular sovereignty - are conceived as aims in themselves. But unlike the abolition of exploitation, I do not believe that popular sovereignty can sensibly be defended as more than an instrumental objective, if only because it clashes by its very nature with individual sovereignty: the more the individuals' room of manoeuvre is shrunk - e.g. by restricting the free choice of occupation, of working time, of residence, of religion, etc. - the less constrained the popular will. Nevertheless, I do believe that popular sovereignty is an important consideration, and one that plays a key role in what I regard as the only cogent justification of socialism (if there is one). What needs to be protected, however, is not popular sovereignty tout court, but the collective capacity to pursue such a specific substantive aim as everyone's real freedom to lead her/his life as s/he wishes. If the pursuit of this aim is necessarily thwarted by the private ownership of capital, then we have a strong case for at least a partial socialization of the means of production.\textsuperscript{11}

Let us now return to the transnational migration of people and capital. To deal with this issue, it is obviously of decisive importance to know who "everyone" is in the above formulation of the substantive objective for the sake of which popular sovereignty can legitimately be protected at the expense of some aspects of individual freedom. If "everyone" is just everyone inside the borders of some country or federation of countries, then the argument for

\textsuperscript{11} For further discussion of this issue, see esp. Wright (1986), Roland (1988), Van Parijs (1991a, 1991b, 1992) and section 9.8 below.
closed borders is straightforward: if the viability or the deepening of the European (or Canadian or Wisconsin) social-democratic model is helped by obstacles to human inflow or monetary outflow, then such obstacles are evidently legitimate. But if the "everyone" whose real freedom one is concerned with covers every member of mankind - as it must, if consistency with the condemnation of citizenship exploitation is to be reestablished -, then the justification of closed borders, if there is one, needs to take a more subtle form. The effective fight against inequalities in both wealth and job assets in rich countries requires the introduction of social transfers, indeed, arguably, of social transfers of an unconditional (non-work-related) kind. The viability of such transfer systems in one country is likely to be contingent upon some restriction on the emigration of capital and is bound to be contingent upon a major restriction on the immigration of people: there is no way in which such systems could survive if all the old, sick and lazy of the world came running to take advantage of them. The reduction of domestic wealth- or job-exploitation, it seems, clashes head on with the reduction of citizenship exploitation.

I suggest the following combined strategy as a workable compromise among the two sets of considerations. Let capital (and technology) out towards the low-wage countries, only making some trouble when the country concerned does not respect Trade Union rights or democratic decision procedures. A gradual erosion of citizenship exploitation can be expected, while mechanisms for the erosion of both wealth- and job-exploitation inside the poorer countries are being fostered. As a result the economic and political pressure for the immigration of people will decrease, ultimately to the extent that closing the borders would be pointless. In the meanwhile, however, do not let people in too easily from poorer countries - because capital migration is a less painful process, because the least advantaged, being less mobile, are not likely to benefit, and above all because it would undermine any serious attempt to equalize, be it locally and partially, welfare and job assets. Such local equalization, it may be argued, can be justified even by reference to those with least real freedom in the world. For it demonstrates that a strongly redistributive economy is more than a fancy dream, and it thereby provides a tangible model both for redistributive strategies in each country and for a first-best fully individualized transfer system on a world scale which would provide each citizen in the world with her/his share of the value of aggregate material wealth and jobs. Does this sacrifice too much of the interests of the least advantaged in today's world for the sake of pursuing an uncertain long-term goal?
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