

**INTERNATIONAL LABOR MIGRATION  
A COMPARATIVE PERSPECTIVE ON CANADIAN POLICY**

**By**

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## ABSTRACT

More than twenty million human beings are pursuing work in foreign lands in the 1980's, the majority of them unskilled men or families in search of higher wages. These migrant workers are the most vulnerable souls among us, for they lack legal status in a world where the statusless are immediate victims. Nevertheless, both developing and mature economies have relied on these mobile workers as a cheap labor source, and have used and discarded migrants according to economic and political expediency. From the Mexican bracero smuggled illegally into the United States to the massive foreign workforce of Saudi Arabia, migrants have been imported with impunity because of their low wage utility, but universally have been kept in a temporary, stateless condition with few guaranteed rights.

Canada is an exception to this global trend, and this fact is the subject of my thesis. Although facing the same general economic compulsions of other nations, especially the competitive need to lower its costs of production, Canada has imported few migrant workers since the 1950's, and has pursued a policy of settling immigrants as residents rather than maintaining a temporary foreign workforce. The reasons for this constitute the central problem of my thesis.

Being a global and systemic phenomenon, labor migration must be studied in a comparative manner. This is particularly true when one considers the variety of cultural and policy responses which attend the arrival of migrant workers in different countries. Accordingly, my investigation of the reasons for Canada's policy approach to migrant labor begins with a consideration of the nature and evolution of policy responses of other nations to migrants. Such a comparative analytical method provides a more complete profile of migratory labor as well as a yardstick against which the Canadian experience can be contrasted.

My general conclusions are the result of a comparative and historical appreciation of labor migration to Canada. A settlement tradition, a small and fluctuating labor market, and a political and cultural aversion to temporary labor

migration have combined to create Canada's notably durable policy approach to migrant workers since World War II; one which has consciously limited the size of the non-settled foreign worker population despite the economic benefits of cheap migrant labor.

My study has also illuminated the almost universally narrow policy approach of governments to migrant workers, who initially are conceived of in purely economic terms without regard to their long-term social impact. Reflective of immediate political and economic interests, public policy is inherently adaptive and shifting, and accordingly governments have lacked a broad perspective on both migrant workers and the social-economic problems which engender their importation.

My final observation is one which recognizes the indivisibility of moral and "practical" issues regarding migrant workers. The latter are people, not a lifeless economic category, and are victims of global inequalities which prompt migration abroad. Unfortunately, the humanity of the migrant is the first reality ignored by policy-makers and employers. It has been convenient for powerful men to keep migrants stateless and devoid of rights so as to better exploit their labor. In this way, the modern migrant resembles the Holocaust era Jew who first had to be deprived of his and her nationality before mass annihilation was possible. The twentieth century is a graphic testament to the fact that the statusless person is wholly at the mercy of others.

Thus, for moral and analytical reasons, ultimate answers to the problems created by migrating populations are not possible without addressing global rather than purely national conditions, and without replacing pragmatic self-interest with empathic understanding.

## **TABLE OF CONTENTS**

<b>ABSTRACT</b>	<b>ii</b>
<b>TABLE OF CONTENTS</b>	<b>iv</b>
<b>LIST OF TABLES</b>	<b>v</b>
<b>ACKNOWLEDGEMENTS</b>	<b>vi</b>
 <b>CHAPTER ONE: A THEORETICAL FRAMEWORK FOR THE STUDY OF MIGRANT LABOR</b>	 <b>1</b>
The political-economic context of migrant labor policy: a global perspective	2
The causes and evolution of migrant labor policy	5
 <b>CHAPTER TWO: COMPARATIVE MIGRANT LABOR POLICIES</b>	 <b>15</b>
West Germany	15
Saudi Arabia	22
The United States	29
Tentative hypotheses regarding foreign labor policy evolution	29
 <b>CHAPTER THREE: CANADIAN FOREIGN LABOR POLICY</b>	 <b>48</b>
 <b>CHAPTER FOUR: CAUSES AND PROGNOSIS OF CANADIAN POLICY</b>	 <b>61</b>
Canada as a settler society	62
Canada as an integrationist society and unstable economy	65
Policy uniformity as a reflection of Canada's political-administrative environment	68
Canada's future migration policy: A global and moral perspective	76
 <b>BIBLIOGRAPHY</b>	 <b>84</b>

## LIST OF TABLES

### FOR CHAPTER TWO

Table 1:	Migrant workers in West Germany	92
Table 2:	Sources of migrant workers in West Germany	92
Table 3:	Minority workforce as percentage of total labor force in selected European nations	92
Table 4:	Foreigner's employment by economic sector in West Germany, 1981	93
Table 5:	Migrant worker population and nationality in Saudi Arabia, 1975 and 1980	94
Table 6:	Saudi Arabian Oil revenue, 1970 to 1980	95
Table 7:	Relative increases in Saudi and non-Saudi employees in different occupations, 1975 and 1980	95

### FOR CHAPTER THREE

Table 1:	Total immigrant arrivals to Canada	96
Table 2:	Temporary employment visas issued into Canada	96
Table 3:	Average annual growth rates in the domestic Canadian labor force and population	97
Table 4:	Average annual percentage rates of change in labor participation rates, male and female	97

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## CHAPTER ONE:

### A THEORETICAL FRAMEWORK FOR THE STUDY OF MIGRANT LABOR

In a world economy increasingly characterized by labor mobility across national boundaries, where migrating workers are often denied citizenship and security in the countries which exploit their cheap labor, Canada is an exception. Unlike the majority of industrialized nations<sup>1</sup>, Canada has maintained a post-World War II policy of encouraging migratory workers to settle as permanent immigrants, even during recessionary economic times. Despite the relative increase in the number of foreigners on temporary work visas in recent years<sup>2</sup>, the percentage of migrant workers in the Canadian labor force continues to remain insignificant, less than 1% of the national workforce in 1983. Thus, while experiencing periodic manpower shortages similar to those of European nations which heavily imported migrant workers during the 1960's, Canada has pursued a policy approach very different from the European *gastarbeiter*, or *guestworker*, option: an integrationist policy which makes no fundamental distinction between the immigrating and temporary migrant populations. The latter are not discriminated against legally or administratively, as in the U.S.A. or Europe, but are eligible for admission as landed immigrants according to the same criteria as other foreigners. This policy approach is an anomaly in the industrialized world, which has generally maintained migrant workers as a sub-proletariat, excluded from mainstream society<sup>3</sup>.

The ultimate aim of this thesis is to explain the reasons for Canada's particular policy approach to its migrant workforce. These reasons are rooted not only in uniquely Canadian economic and historical features, but in the process by which public policy is formulated and enacted. Accordingly, two broad issues are of greatest concern in this thesis: a) the political-economic factors which account for Canadian migrant labor policy in relation to that of other industrialized nations, and b) the factors which create and guide the evolution of migrant labor policies in general.

The framework for our comparative analysis of these policies is thus based in political economy as well as policy process analysis. It is intended that this dual consideration of broad conditions and the influences behind policy evolution will illuminate the reasons for Canada's policy approach toward migrant workers.



## **THE POLITICAL-ECONOMIC CONTEXT OF MIGRANT LABOR POLICY: A GLOBAL PERSPECTIVE**

It is a truism to observe that migration is as old as humanity<sup>4</sup>. Since the emergence of industrialized nation-states and their creation of an international labor market, however, and particularly during the post-World War II years of prolonged economic expansion, world migration has been overwhelmingly characterized by a movement of surplus labor from the Third World to higher wage jobs in Europe and North America<sup>5</sup>. While much of this migration has been the offspring of colonialism and has followed the trade routes of the former European colonial powers<sup>6</sup>, the forces compelling ongoing labor migration arise from the structural inequalities in the global economic order<sup>7</sup>.

The legacy of rising capitalism and the Age of Imperialism has been an unevenly developed and hierarchically organized world economy, where "peripheral" regions supply raw materials for manufacture and trade to "core" nations at unequal rates of exchange<sup>8</sup>. Locked at first by Empire, and then by economic necessity, into a role of resource supplier, Third World nations have not been able to expand their own industrial sectors and employ their still largely rural populations<sup>9</sup>. In addition, the low prices of "peripheral" exports obtainable in global markets dominated by the developed nations prevent the accumulation of capital in the Third World and maintain these regions as low-growth and low-wage zones. This pattern of underdevelopment is perpetuated by the financial dependence of poor nations on major banks<sup>10</sup>.

Combined with the process of urbanization, which dispossesses peasants from their land while offering them little prospect for urban employment, this system has generated a vast pool of Third World unemployed who often migrate to higher wage industrial areas<sup>11</sup>. Until the 1970's, these areas were effectively confined to Europe and North America, but with the development of industrial centers in Brazil, Taiwan, China, and Singapore, the pattern of migration has shifted to a multi-polar flow. The traditional centers of in-migration in the First World increasingly face competition for cheap labor from these newly-industrializing areas<sup>12</sup>.

The second primary factor conditioning labor migration is capitalism's constant need for cheap and transient labor to fill its fluctuating manpower requirements<sup>13</sup>. Such a need was particularly evident in Europe, for example, during the 1950's, and is present today in Saudi Arabia's expansive construction and petrochemical industries. Yet while labor shortages in capital-rich nations provide temporary outlets for the swollen ranks of the underdeveloped world's jobless, the process of labor migration is inherently restricted and short-lived because of the intervention of a third factor in migration: the political and administrative interests of the labor-importing nation, which tend to work against the presence of a large or permanent migratory workforce<sup>14</sup>. If the tension between "pushing" job-seekers and "pulling" employers determines the general migration flow, this third factor channels the flow according to social and political as well as economic constraints. For example, while the availability of Third World labor and West German industry's need for such labor remained relatively high during the early 1970's, all labor in-migration into Germany was ended in 1973 because of political pressure<sup>15</sup>.

At a global level, perhaps the most salient feature of labor migration is that it has paralleled the movement of capital and commodities<sup>16</sup>. The penetration of the underdeveloped world by European and American wealth and goods has produced an international division of labor, of which migration is one expression. This division tends to cause First World labor to be specialized, skilled, and highly-paid, and Third World labor to be unskilled, cheap, and confined to labor-intensive industries. Because these conditions of labor reflect the levels of capital accumulation and development in their respective parts of the world, Third World labor is chronically underemployed and is exported, like any other "raw material", to obtain export earnings for the capital-poor sending nations<sup>17</sup>. Thus, on a global scale, labor tends to migrate from lower to higher wage zones, while capital seeks out labor in lower wage zones<sup>18</sup>. It is this underlying dynamic which causes the economic movement of migrants, and which has compelled, for example, the large flow of expatriate labor into Europe and the U.S.A..

The economic forces compelling migratory movements have caused the latter to be characterized in recent years by international contract migration rather than traditional settlement migration<sup>19</sup>. Contract migration involves the temporary,

regulated admission of groups of usually unskilled workers according to bilateral arrangements, as, for example, between Saudi Arabia and South Korea. Such migration is becoming increasingly the norm as developing economies attempt to regularize and thereby cheapen the acquisition of transnational labor<sup>20</sup>.

The most obvious fact about the migratory process is that it is a consequence of global economic relations and occurs in general terms quite independently of nation-based policies and programs. Indeed, if, as one author notes, "the world economy is not very much subject to political or economic policy control"<sup>21</sup>, a particular nation's migrant labor policy is inherently reactive and can do little to control the causes or flow of migration. In this sense, any migrant policy is more a political or group-consensus statement than a practical means of affecting migration. The U.S. government, for example, produced its 1951 reforms to the Immigration Act in response to voter pressure to "clean up" the illegal migrant problem, rather than out of an assurance that it could halt the net influx of more than one-half million illegal Mexican migrants each year<sup>22</sup>. Accordingly, any analysis of labour migration which bases itself primarily on a nation's public immigration policies is restricted to specific political and social responses to migratory movements rather than to the latter's causes or dynamics.

This observation requires that our comparative study of both immigration and foreign labor policies be prefaced with a reassertion of the global forces behind migration, as well as an acknowledgement of the most recent economic factors conditioning migratory movements in the 1980's. The aforementioned tendency of labor to pursue higher wages and jobs has been manifested over the past decade in the shifting of the labor migration stream away from a purely northern orientation toward newly-industrializing zones of the Third World; a shift which was facilitated by the termination of guestworker programs in Europe during the early 1970's. The growth of these already-established new industrial zones was encouraged by the recession-induced desire by First World industrial powers to lower their production costs by shifting their operations to low-cost producing areas like South Korea and Hong Kong. So much more profitable was this industrial relocation that it spread from labor-intensive textile and clothing firms to capital-intensive industries in steel, ship-

building and chemicals<sup>23</sup>. This process has rewarded the Third World centers with higher growth and productivity levels than corresponding First World industrial nations, which face increasing competition from these centers for control of markets, and of labor. After 1975, for example, the construction and oil industries of the Middle East attracted a greater number of migrant workers from the Third World than did Europe<sup>24</sup>. Rather than close their doors to foreign labor, as the First World has done, Third World industries are encouraging migration under highly controlled conditions<sup>25</sup>.

In the light of this global economic reorganization, the migrant labor flow to the traditionally "developed" world is receding in both absolute and relative terms, and in the case of Canada it constitutes a comparative trickle<sup>26</sup>. Canada continues to be a place of settlement immigration rather than temporary migrant employment. Possessing a small economy with few large labor-intensive industries, and lying in close proximity to the colossal U.S. labor market, Canada, with its history of "open" immigration, has experienced none of the chronic manpower shortages which beset the expanding European economies of the 1950's and 1960's, and compelled guestworker programs. Canada's seasonal labor shortages are felt primarily in Ontario agriculture, where a limited importation of 5,000 to 7,000 temporary workers from the Caribbean and Mexico constitutes the major migrant worker program in Canada<sup>27</sup>. The lack of job opportunities for foreign, unskilled migrants has kept large numbers of the latter away from Canada's shores, and has allowed Canadian governments the flexibility to pursue a traditionally open immigration policy. This flexibility is an important distinguishing feature of Canadian immigration policy in relation to the other nations analyzed, and must be borne in mind throughout the following discussion of the factors which have produced Canadian and other foreign labor policies.

## **THE CAUSES AND EVOLUTION OF MIGRANT LABOR POLICY**

The general economic conditions in which nations operate have not produced a uniform policy response to the phenomenon of migrant labor. While such policy tends most commonly to be a reaction to broad labor movements not affectable by nation-based policies, the specific aims and content of the latter are formed by more local and particular factors, and thus vary considerably across the globe.

Accordingly, simply acknowledging that the ultimate source of labor migration lies in systemic economic relations advances us little toward an understanding of the factors which create a nation's migrant policy. The latter is more immediately the result of such factors as local manpower conditions and interest-group influence on government policy formulation. At the same time, simply chronicling this local variation in the causal factors behind a given policy prevents any generalization about the social forces behind these policies; a generalization which is crucial for any comparative policy analysis. It will therefore be our aim to seek out the common elements which produce foreign labor policies in different nations, in order to better understand the uniqueness of Canadian policy evolution.

These elements will be identified specifically in the analysis of particular national policies in Chapter Two. The following discussion provides a theoretical framework for this analysis of comparative policy in Canada and selected nations.

Like any aspect of public policy, foreign labor policies are multidimensional both in terms of their origin and ultimate ends, as they develop according to the interests of social groups as well as the changing priorities of a government and its civil service. Migrant policies have at the same time economic and societal goals which emerge either through a consensual political process, or, as in the example of Saudi Arabia, according to the state-established priorities of a regime. The various aspects of the policy process should thus not obscure the overall reality of such policy as being a total and shifting response to economic conditions and the interests of specific sectors both within and outside government<sup>28</sup>.

Nevertheless, an emphasis on aspects of the policy process is required by the simple recognition that foreign labor policies in the industrialized world since World War II have been conspicuously guided by the economic priorities of the migrant-receiving nations<sup>29</sup>. To acknowledge this is not to reduce policy to a primarily economically-determined phenomenon but to grant the centrality of, for example, manpower shortages in the European decision to import migrant workers in increasing numbers after the late 1950's. However, to avoid slipping into an economic-reductionist model<sup>30</sup>, the question of the goals of migrant labor policies - which is

basic to our theoretical discussion - must be placed in the broader context of the overall aims of the modern capitalist state, of which migrant policies are one manifestation.

A survey of analyses of the modern state<sup>31</sup> suggests that its basic goals consist of the following:

1. Achieving steady economic growth in order to compete in international markets,
2. Maintaining internal class, ethnic, and regional harmony through a consensual political process, and
3. Safeguarding the existing power positions of economic and political-bureaucratic elites.

More simply, governments tend to follow three principles: Growth, Consensus, and Staying in Power<sup>32</sup>. A state's policies emerge in order to achieve one or all of these ends.

In practice, these goals are interdependent, and tend to produce state policies which share three fundamental aspects, corresponding to each goal: an economic (growth), political (consensus/control), and administrative (power) dimension. That is, in order to achieve the three essential goals of the state, any government policy must reflect these different priorities and pursue them. Immigration policy, for example, always has an economic dimension (eg: manpower supply), a consensual aspect (maintaining ethnic and political harmony), and a purely administrative aspect (regulating quota limits). If a policy does not reflect each of these priorities, it will lose its general applicability and become dysfunctional in relation to the goals of government, and will be discarded<sup>33</sup>.

According to this model, it is unlikely that a government would create or maintain a foreign labor policy which did not ultimately encompass the economic,

political, and administrative ends described. Yet the essential fact of global migration - that it largely consists of a movement of people in search of jobs<sup>34</sup> - makes the economic aspect of migration most apparent to governments and central to their policy aims regarding migrants. From the perspective of the receiving nation, the economic value of migrants lies in their transient nature<sup>35</sup>. A temporary workforce can overcome labor shortages, especially in seasonal industries, and is more easily "discardable" than the domestic workforce. This mobility, and migrants' willingness to accept lower wages and job standards<sup>36</sup>, makes them highly valued by employers, provided that they remain in a low-wage, transient condition. The European experience indicates that state policy is at least initially closely oriented to this cheap labor requirement of business, since the goal of economic growth is facilitated by the selective presence of a low-paid, mobile workforce which is subject to higher rates of exploitation<sup>37</sup>.

The continued presence of migrant workers, however, creates immediate problems for this economic goal. The contradiction which unfolds is that, as migrants give up their transiency and settle in stable communities in the receiving nation, their economic attractiveness is lost<sup>38</sup>. The job and wage expectations of second generation migrants increase with social permanence, thereby defeating the original policy purpose and utility of importing migrant labor. Yet from the point of view of sending nations, which benefit from wage remittances, and of settled migrants themselves, the latter's staying on as citizens in the host nation has become imperative. In this way, the growth-related economic purpose of foreign labor policies is only temporarily successful, giving rise to permanent social and political problems unanticipated by economic-oriented migration policy<sup>39</sup>.

The ultimate failure of a foreign labor policy's economic goal increases the importance of other policy aims in the eyes of a government, particularly those aims which affect social consensus and political stability, both of which tend to be jeopardized by a large temporary, foreign population. The consensus and power-maintaining goals of migrant labor policy move to the forefront of policy considerations as the initial economic motives for importing migrants begin to falter<sup>40</sup>. A government must preserve the voter and consensus basis of its power by

either assimilating foreign populations after halting further in-migration, as was attempted in Europe during the 1970's, or by continuing to socially isolate migrants as permanent second class residents, as the 1981 Reagan reforms to the U.S. Immigration Act are attempting to do with illegal Mexican migrants<sup>41</sup>. In either case, the original policy intent of providing a cheap workforce to industry is soon replaced with the overriding aim of controlling the social and political impact of foreign workers on the receiving nation.

Clearly, a nation like Canada, which has never structurally relied on migrant workers in the way European economies have, will not experience in the same intensity the policy dilemmas described above, and will suffer fewer negative impacts when the economic goals of labor importation fail. Accordingly, it is to be expected that the problems of power and consensus maintenance which have beset West Germany and other major migrant importers will not arise in Canada because of the latter's small-scale employment of foreign labor. Although the general goals of Canadian state policy are the same as those described above, the relative unimportance of migrant labor in the Canadian economy has meant that the issue of temporary migration has not been central to economic or immigration policy in Canada, and has had little impact on eventual policy-making<sup>42</sup>. Instead, the permanent immigration and social integration of foreigners have been a more central policy concern of Canadian governments. It is to this issue that any analyses of the causes and evolution of particular migration-related policies in Canada must be addressed.

In summary, our theoretical discussion of the political economy and origins of foreign labor policies provides us with the following working guidelines:

1. Labor migration is a manifestation of global economic relations and conditions which are not ultimately affected by one nation's policies. At best, a government's migrant worker policies are an expression of political intent rather than a means of controlling migratory flows.



2. The selective de-industrialization of the "First World" and Canada's relatively small economy and labor market have caused post-World War II Canada to be bypassed by major labor migration flows. This fact has allowed Canadian governments greater flexibility and liberality in dealing with the issue of employing temporary foreign labor.
3. While initially undertaken to satisfy the economic priority of growth of both business and the state, labor migration soon frustrates this end because of intrinsic contradictions in the migratory process. The presence of foreign workers then begins to threaten the other priorities of the state - primarily political stability and group consensus - and these priorities become the foci of policy concern.
4. The relative unimportance of temporary foreign labor in the Canadian economy has prevented this contradiction and policy shift from occurring in Canada. Instead, the employment of migratory workers is a peripheral issue in Canadian government policy, which is more oriented to the settled immigration of foreigners.

## **NOTES: CHAPTER ONE**

1. By this term is meant the so-called "First World" economies of North America, Japan, and Western Europe.
2. The number of foreigners granted temporary work visas to Canada increased by 38% between 1979 and 1983, to over 130,000 per year, about 1.5 times the number of regular immigrants in 1983. See Chapter Three, Table Two.
3. For a discussion of the concept of a migrant sub-proletariat see Stephen Castles, **HERE FOR GOOD: WESTERN EUROPE'S NEW ETHNIC MINORITIES** (London: Pluto, 1984), chapters 2 and 5.
4. See the discussion of the history of human migration, and the various types of migration, in William H. McNeill, ed., **HUMAN MIGRATION: PATTERNS AND POLICIES** (London: Indiana University Press, 1978), pp. 3-20.
5. The direction of this movement has begun to shift away from a largely south to north direction because of the industrialization of parts of the Third World, as discussed later in this chapter.
6. See the discussion in J.P. Dickenson et al, eds., **A GEOGRAPHY OF THE THIRD WORLD** (London: Methuen, 1983), p. 56.
7. For the purposes of this thesis, the terms "migration" and "immigration" are defined as follows: migration is the general and often return movement of peoples across national boundaries for the purpose of either settlement or temporary work, while immigration is the more permanent relocation of peoples for the purpose of settlement in a new land.
8. Elizabeth McLean-Petras, "The Global Labor Market in the Modern World-Economy", In Mary Kritz et al, eds., **GLOBAL TRENDS IN MIGRATION** (New York: Center for Migration Studies, 1981), pp. 46-7.
9. In 1975, for example, 75% or more of the export trade of the majority of nations in the world consisted of primary products. See Dickenson, **GEOGRAPHY**, p. 9.
10. See the discussion in **NORTH-SOUTH: A PROGRAM FOR SURVIVAL** (Cambridge: MIT Press, 1980), p. 43.

11. Ibid., p. 34.
12. Andre Gunder Frank, "The World Crisis and Economic Policy Formation", In Duncan Cameron, ed., CANADA AND THE NEW INTERNATIONAL DIVISION OF LABOUR (Ottawa: University of Ottawa Press, 1985), p. 18.
13. McLean-Petras, "Global Labor Market", p.50.
14. In addition, the process of migration tends to turn temporary workers into permanent settlers regardless of government policy toward migrants. See Castles, HERE FOR GOOD, pp. 12-13.
15. See this thesis, Chapter Two, p. 20.
16. This fact is elaborated in McLean-Petras, "Global Labor Market", p. 55.
17. Wage remittances from migrants abroad often constitute one of the most important sources of income in poor nations, like Jordan, where about 25% of its male workforce are migrants. See Kritz et al, GLOBAL TRENDS IN MIGRATION, pp. 170-71.
18. McLean-Petras, "Global Labor Market", p. 54.
19. W. R. Bohning, STUDIES IN INTERNATIONAL LABOUR MIGRATION (London: MacMillan, 1984), p. 233.
20. While contract migration is formally regulated by International Labour Organization statutes (See Bohning, Ibid., pp. 259, Appendix), the system is fraught with abuse, as foreign contractors literally sell their countrymen to developing economies at the cheapest wage levels possible. Bohning, Ibid., pp. 236-258.
21. Gunder Frank, "The World Crisis", p. 20.
22. See the discussion of Mexican-American illegal migration in this thesis, Chapter Two, pp. 33-34.
23. Gunder Frank, "The World Crisis", p. 17.

24. Saudi Arabia alone received over two million migrant workers in 1980, mostly from Asia. See this thesis, Chapter Two, p. 25.
25. These conditions include a total denial of freedom of movement and residence for all migrants. See this thesis, Chapter Two, p. 28.
26. Since 1975, the annual average migrant importation to Canada has barely exceeded 100,000 visa holders. See this thesis, Chapter Three, Table Two.
27. It is indicative of Canada's avoidance of any dependence on migrant labor that an annual limit of 6,600 seasonal laborers for Ontario fruit harvesting is maintained under the Caribbean Seasonal Workers Program, initiated in 1973. This number represents only 5% of the workforce required by the produce industry. See "Limit on Migrant Workers Hinders Growth - Farmers" by Frank Reynolds, THE TORONTO STAR, January 21, 1981, p. A12.
28. For a discussion of the relation of government, private interests, and policy, see Ralph Miliband, THE STATE IN CAPITALIST SOCIETY (New York: Basic, 1969), pp. 68-119.
29. This point is elaborated graphically in Castles, HERE FOR GOOD, pp. 20-28, where the contribution of cheap foreign labor to the post-war economic resurgence of Europe is discussed.
30. Such an economic reductionist approach is evident in marxist analysis; for example, "The Green Paper: Immigration as a Tool of Profit" by Paul Cappon, In D.Glenday et al, eds., MODERNIZATION AND THE CANADIAN STATE (MacMillan, Toronto, 1978), pp. 372 - 383. Cappon states "The objective of Canada's immigration policy remains the importation of foreign labor to supply the requirements of Canadian-American capital." Ibid., p. 373.
31. See the index in Miliband, STATE IN CAPITALIST SOCIETY, for this survey.
32. The second principle is not universally pursued by, for example, military dictatorships. In such regimes, consensus is replaced by direct state and bureaucratic manipulation, with, however, the same ultimate purpose of economic growth and power maintenance. Compare the policy process between West Germany and Saudi Arabia in Chapter Two.

33. While this is the author's own hypothesis, it is based upon a consideration of Miliband, *STATE IN CAPITALIST SOCIETY*, and Peter Katzenstein, ed., *BETWEEN POWER AND PLENTY: FOREIGN ECONOMIC POLICIES OF ADVANCED INDUSTRIAL STATES* (Madison: University of Wisconsin Press, 1978).
34. Over twenty million migrants were searching for work on a global level in 1980. See *NORTH-SOUTH*, p.109.
35. See the discussion in Michael J. Piore, *BIRDS OF PASSAGE: MIGRANT LABOR AND INDUSTRIAL SOCIETIES* (London: Cambridge University Press, 1979), p. 81.
36. During the early 1970's, for example, foreign workers in Germany suffered an average 25% higher accident rate on the job than did German workers. See *INDUSTRIAL AND LABOR RELATIONS REVIEW*, Vol. 33 (3), p. 325.
37. This economic advantage is discussed in Stephen Castles and Godula Kosack, *IMMIGRANT WORKERS AND CLASS STRUCTURE IN WESTERN EUROPE* (London: Oxford University Press, 1973), p. 399.
38. The West German experience is the clearest example of the social contradictions bred by migration. Piore, *BIRDS OF PASSAGE*, p. 81.
39. Piore, *Ibid.*
40. See the discussion of West German foreign labor policy in Daniel Kubat et al, eds., *THE POLITICS OF MIGRATION POLICIES* (New York: Center for Migration Studies, 1979), pp. 145-163.
41. See the discussion of the new immigrant category under American legislation, the temporary resident alien, in R. Hofstetter, *U.S. IMMIGRATION POLICY* (New York: Duke University Press, 1984), pp. 51-2. See also this thesis, Chapter Two, p. 35.
42. The question of temporary visa workers, for example, occupies only a few paragraphs of the 1975 Green Paper Report on Immigration.

## **CHAPTER TWO: COMPARATIVE MIGRANT LABOR POLICIES**

The purpose of this chapter is to examine how government policies regarding migratory workforces evolve in different cultural and economic contexts. This will be done by comparing the foreign labor policies and practices of three states where sizeable migrant workforces have developed: West Germany, Saudi Arabia and the U.S.A.. The objective is thus a comparative policy study, but one guided by analytical concern for the social forces which cause a particular public policy to evolve and adapt to changing circumstances.

I hope to approach the migrant worker phenomenon as a social process rather than simply a labor-market manifestation or a geographical movement of people. I will argue that a multicausal and systemic perception of migration, rather than one based on purely state-specific factors is necessary to understand labor migration as well as the policy responses to such migration. Unfortunately, because the existing studies of migrant workers are often produced by and for governments with different priorities, this broad perspective on the nature of labor migration and the essentially adaptive relation of government policy to migrant workers is largely absent in the literature. I believe that only a comparative approach to foreign labor policy will reveal this long-term evolution in policy and thus the underlying motives of the latter in relation to migrant workers.

### **WEST GERMANY**

At the center of the vast migratory movements which swept across Europe after 1945, West Germany continues to possess one of the highest concentrations of foreign workers on the Continent, about 10% of its labor force in 1981<sup>1</sup>. Like most other western European nations whose economies were devastated by the Second World War, West Germany experienced acute post-war labor shortages. The workers who responded to this labor demand originally came from Eastern Europe, where economic growth was slower and birth rates higher<sup>2</sup>. However, the 1961 Berlin Wall crisis cut off the majority of these workers from access to West Germany, and the latter,

experiencing a combined economic growth and labor demand, began to import even greater numbers of temporary workers from Mediterranean countries like Turkey, Italy, Greece, and Yugoslavia<sup>3</sup>. Thus, the total number of foreign workers in West Germany climbed from 279,000 in 1960 (1.3% of the employed workforce) to 2,218,000 in 1971 (9.8% of the same)<sup>4</sup>.

The vast majority of these foreign workers were unskilled, male laborers who were imported under temporary work contracts and discouraged from immigrating. However, soon many of these "gastarbeiters" began bringing their wives and children and integrating themselves into German society<sup>5</sup>. Because these migrants were widely used in, and were indispensable to, key German industries like auto manufacturing, chemicals, steel, and construction<sup>6</sup>, it became difficult to curtail or even reduce labor importation without causing manpower shortages in basic industry. Thus, by the time of the world recession of 1973/1974, migrant workers had become a structural mainstay of the West German economy, primarily because it was more profitable for German employers to use transient workers willing to accept lower wages and poorer working conditions, and fill temporary labor shortages<sup>7</sup>. According to one economist, the average annual increase of 3% in the West German GNP until 1970 was possible only because of the profitability generated by a cheap foreign workforce<sup>8</sup>. Yet it was precisely this indispensability which fueled foreign labor importation and set the stage for serious political and social problems and policy dilemmas during the recessionary 1970's.

The use of migrant workers in central rather than peripheral West German industries produced a "labor importation treadmill"<sup>9</sup> which bred depressed, low-wage job ghettos, and in turn social ghettos for foreigners in housing and education. Wishing to avoid raising wages, employers imported migrants for low-wage positions through overseas government recruitment programs. By removing the incentive to improve wages and conditions, this importation forced German workers out of these sectors, increasing the labor shortage and the need for cheap foreign manpower. This process accounts for the mushrooming of migrant importation into West Germany during the 1960's: an increase of over 800% from 1960 to 1971<sup>10</sup>.

A major consequence of this process was not only foreigners' ghettoization in Germany but the termination of formal guest worker programs, which were based upon the return migration of migrants to their country of origin<sup>11</sup>. The impact of large scale migration, however, continued to reverberate throughout Germany as government policy grappled with the problem of integrating a low-paid foreign workforce enjoying few legal and citizenship rights into mainstream society<sup>12</sup>.

Like other labor-importing nations, West Germany's migrant worker policies since the 1950's were based upon a central premise: that foreign workers could be expediently imported and exported with maximum economic benefit and minimal social impact<sup>13</sup>. To ensure this aim, initial government policy conceived of migrants purely in economic terms, as a surplus labor source rather than as potential immigrants. A system of residence and work permits of one year duration was established to keep the foreign workforce mobile and stateless. The right to vote, organize politically or have access to the courts was also denied migrants<sup>14</sup>. In fact, the *Ausländergesetz* (Foreigners Law) of 1965 denied all foreigners a guaranteed right to residency, voting, or any basic constitutional freedoms. ANY civil right enjoyed by foreigners could be prohibited "if this is necessary to ensure public safety or defend public interests or in order to prevent acts prejudicial to the development of a political consensus . . . or to any other important interests of the Federal Republic of Germany."<sup>15</sup>.

In short, foreign labor policy required from its inception a system of institutionalized discrimination in order to facilitate the profitable use of a cheap labor source by German business.

Most of the economies of western Europe adopted similarly restrictive policies towards foreign workers during the two decades following 1945, yet continued foreign labor importation because of the high labor demand produced by large-scale economic reconstruction. Although West Germany did not directly recruit foreigners until 1955, nearly 1.5 million migrant workers were imported by 1965 through its Federal Labor Office or *Bundesanstalt für Arbeit* (BfA)<sup>16</sup>. Foreign labor policy began with the intention of temporarily utilizing a return workforce in labor-poor sectors. For, in the words of one contemporary politician, "The Federal Republic of Germany does not



consider itself to be an immigration country and so Gastarbeiter are admitted only according to the needs of the labour market."<sup>17</sup>.

However, throughout the 1950's and 1960's, this market continually expanded, and foreign worker recruitment treaties were signed between Germany and many nations<sup>18</sup>. Initially hired in seasonal agriculture and construction, foreigners filled positions in basic industries by the mid-1960's, and government policy was forced to acknowledge that migrants were no longer a temporary or discardable part of the workforce. As the number of foreign workers in Germany peaked in the early 1970's at nearly 2.5 million, migrant labor policy abandoned the gastarbeiter option altogether and began to advocate the assimilation of the existing foreign worker community along with a strict limiting of further migrant importation. The increasing economic importance of foreign workers thus necessitated a change in what had been a policy approach wholly based upon industrial manpower requirements and lacking an appreciation of the long-term social consequences of labor migration<sup>19</sup>.

Although the now-sizeable and permanent foreign population compelled German migrant policy to liberalize by the 1970's, allowing foreign families to settle, attend schools and receive some social assistance, that policy remained highly susceptible to economic conditions. The clearest example of this was the sudden and unilateral ban on all foreign labor recruitment which followed the onset of the world recession during 1973. In November of that year, all recruitment of foreign workers (except those under bilateral agreements) was ended, and foreigners seeking jobs were denied entry into West Germany<sup>20</sup>. This measure marked the end of the gastarbeiter era and a permanent change in migrant policy to one of closed immigration and at least the formal advocacy of integrating the existing foreign population<sup>21</sup>. After a period of policy equivocation which witnessed increased migrant importation during economic booms and reduced importation during recessions, the spectre of long-term economic stagnation after 1973 forced government policy to halt the migrant influx once and for all.

Other considerations, however, had prompted this decision. While German capitalism, unlike other western economies, was unable and unwilling to part with its

cheap migrant labor force, the presence of a low-wage, foreign working class was strongly opposed by conservatives and social democrats alike, sectors of the trade union movement, and a majority of public opinion. Consequently, while government policy after 1973 claimed to be striving to integrate foreigners into German society and grant them equal rights, government practice achieved the opposite. All the discriminatory provisions of the 1965 *Ausländergesetz* remained in effect, and numerous court decisions during the 1970's barred foreign workers from participating in local or national politics. Migrants remained ghettoized in jobs, housing, and education, and became the target of xenophobic attacks, even within the labor movement, which, by 1975, had successfully unionized at least one-third of the foreign workforce<sup>23</sup>.

Despite its economic importance, the migrant labor force in West Germany has remained a disadvantaged and second class group, denied basic constitutional rights, even after more than a decade of integrationist public policy towards foreigners. This paradox arises from the conflicting influences exerted on policy formulation by, on the one hand, the economic importance of foreign workers to German business, and on the other, a broad social and political opposition to the presence of large numbers of foreigners in Germany.

Foreign labor policy in West Germany has evolved in relation to the relative strength and influence of these two factors. While business interests have been strongly felt in policy, so has the particularly powerful Germany labor movement through its political weight within the German Social Democratic party (SPD). The main labor federation, the *Deutscher Gewerkschaftsbund* (DGB), has not only fought for the rights of migrant workers on the job, but has provided one of the few outlets for foreigners to organize politically and win social reforms<sup>24</sup>. The DGB is open to all foreigners, and as early as 1965, 131 foreign workers were elected to DGB union bodies in the German metal industry, where over 60% of migrants are unionized<sup>25</sup>. The DGB has been the main influence behind progressive government policies towards migrants, as well as policies designed to limit further migrant importation. Outside the DGB, the impact of foreign workers on government policy is negligible.

The overwhelming fact of foreign labor policy in West Germany in the 1980's is that the laws and regulations created to control temporary migration have been consciously maintained, even though such migration has long since been replaced by the permanent settlement of ethnic minorities<sup>26</sup>. Neither governments of the Right nor Left, however, have accepted this settlement as a fact, and both have continued to treat foreign workers as stateless migrants with no legal rights<sup>27</sup>. For example, both the SPD and the Christian Democratic Union (CDU) rejected the Kuhn report of 1979, which recommended that the permanent settlement of foreigners be accepted as a fact and that formal assimilation programs be commenced along with improved rights for minorities<sup>28</sup>. In addition, while in 1980, over 1.7 million foreigners fulfilled the German residence requirement of ten years necessary for citizenship, only 15,000, or .9% of them, were granted naturalization. Only .1% of Turks were naturalized<sup>29</sup>. Supported by a public opinion which, in 1982, believed by more than 80% that there were "too many foreigners" in Germany, government policies have been free to continue discriminating against foreigners and maintaining former migrants as permanent low-wage workers<sup>30</sup>.

In a basic sense, West German policy towards foreign workers has remained unchanged for thirty years: keep foreigners mobile, disadvantaged, and stateless. This policy reflects a deep cultural aversion among Germans to foreign in-migration, especially of non-Europeans; yet no other policy makes sense from German capitalism's point of view, according to which the benefits of employing foreigners derive from the latter's disadvantaged condition and their minimal social maintenance costs<sup>31</sup>. The problem underlying the use of migratory labor as a "solution" to manpower shortages is that migrants rarely remain transitory, but settle as permanent workers in their new country. This process defeats the original economic and policy value of migrant workers, and quickly renders foreign labor programs counter-productive. The dilemma then confronting policy makers is how to balance the conflicting interests affected by migration when there exists a very narrow basis of consensus.

In West Germany, for example, the foreign worker community has resisted assimilation into mainstream society because of the need for collective self-defense in

the absence of institutional and legal safeguards. This condition, when combined with the growing racist sentiment among Germans towards foreigners, has prevented the public reconciliation of differences which is essential for a workable policy<sup>32</sup>. Yet the continued treatment of foreign workers as temporary residents, and the resulting social tensions between citizens and non-assimilated foreigners, prevents the resolution of this dilemma.

Beyond this consensus problem is the final factor influencing changes in West German foreign labor policy: the international legal obligations of West Germany towards its foreign workforce<sup>33</sup>. These obligations have compelled practices which the German government would not normally have followed. For example, Articles 48 and 49 of the Treaty of Rome, the legal basis of the European Economic Community (EEC), requires that all EEC members prevent any discrimination based on nationality in their employment practices, a provision to which West Germany formally adheres<sup>34</sup>. Conventions like the European Social Charter (1961) and ILO Convention No. 91 Concerning Migration for Employment (1949), to both of which Germany is a signatory, require that foreigners be treated equally and receive the same social benefits as citizens. But this is an agreement which West Germany violates in practice because of policy discrimination against foreigners in housing, employment and political rights<sup>35</sup>. These international codes have done little to halt state discrimination against foreign workers in Germany. The present CDU government, for example, came to power in 1983 on a program which included the forced repatriation of all foreigners and the further denial of civil rights to the foreign community<sup>36</sup>.

To sum up, by pursuing a foreign labor policy based upon short-term manpower requirements in basic industry, and which disregarded German cultural resistance to in-migration, West Germany created a massive influx of foreign workers whose social impact was not anticipated in the economic policy approach of the first "open" period of migration from 1955 to 1973. The *gastarbeiter* policy of encouraging temporary migration was universally rejected by labor, business, and government after 1973 in favour of closed migration and the gradual assimilation of foreigners. However, while the first condition was achieved, the social position of foreign workers remained the same: statelessness and the absence of guaranteed rights. This

maintaining of a permanent class of low-paid, disadvantaged workers was a policy response to employers' desire for cheap labour<sup>37</sup> as well as to domestic political forces opposed to any foreign presence whatsoever.

The fact that foreign labor policy under both SPD and CDU governments has continued to discriminate against former migrants is indicative of the essentially adaptive nature of such policy in West Germany, responding initially to the economic and political benefits of importing migrants and then discarding the latter when it became expedient. Political expediency has required the continued denial of citizenship rights to many foreign residents in order to placate the electoral bases of both the SPD and CDU. International legal obligations have had surprisingly little impact on this process. In short, foreign labour migration in West Germany has evolved from a purely economic issue to a major political and societal controversy because of the limitations of a consensual policy process in a situation where the main subject of policy - the foreign migrant community itself - lacks effective political participation and representation within society.

## **SAUDI ARABIA**

Like most oil-producing nations in the Middle East, Saudi Arabia has a wealthy economy almost totally lacking in trained manpower at all levels, and devoid of the social infrastructure necessary for sustained economic growth. The surrounding region as a whole, however, contains a considerable labor surplus which is highly mobile. These factors have produced a foreign worker population in Saudi Arabia of over two million, about twice the size of the domestic workforce<sup>38</sup>. More significantly, this migrant population occupies the key sectors of the economy where growth is greatest, and is even present throughout the civil service<sup>39</sup>.

This massive foreign workforce was generated by the oil-price boom of 1973 to 1974 and the consequential mushrooming of oil revenues and industrial sector development in Saudi Arabia. Between 1970 and 1980, Saudi oil revenue rose from \$1.2 billion to \$95 billion, most of this wealth being channeled back into the domestic economy<sup>40</sup>. Accordingly, migrants poured into Saudi Arabia to pursue the jobs

produced by this wealth: from 60,000 in 1962, the foreign labor force skyrocketed to over two million by 1980<sup>41</sup>. Nor was this an isolated phenomenon; the total migratory workforce in the major Middle Eastern oil states climbed from 1.6 million in 1975 to 4.3 million in 1985<sup>42</sup>.

Migrants had become a permanent and growing feature of Saudi society by the 1970's, not only because of the consistently high labor demand in all sectors of the economy. Saudi Arabia has a small, uneducated domestic working class, few training facilities and a labor participation rate of only 19%, compared to a Middle East average of 34%<sup>43</sup>. This condition created a huge demand for both unskilled and skilled labor - particularly in construction and industry - which grew as the economy expanded. Because this demand could not be met by the local workforce, importing foreign labor was the only immediate alternative.

Until the late 1970's, about 90% of migrant workers to Saudi Arabia came from other Arab nations, principally North Yemen, Jordan, and Egypt<sup>44</sup>. These largely unskilled, male<sup>45</sup> workers entered Saudi Arabia under strict labor contracts which stipulated one or two year residence and work permits. By the 1980's, expatriates comprised more than 50% of the Saudi workforce in manufacturing, building, trade, and finance, even though they constituted barely one-fourth of the Saudi population<sup>46</sup>. Rather than a short-term labor supply, migrant importation became a central strategy in the Saudi state's plans to expand its economy in the wake of the 1970's oil bonanza, as witnessed by the fact that its total foreign worker population tripled between 1975 and 1980<sup>47</sup>. While this workforce helped generate an annual economic growth rate of 15% in this period, the structural dependence of the Saudi economy on migrants became permanent.

This dependence has aggravated the problems which required labor importation in the first place, such as the non-participation of Saudi nationals in the modernizing economy<sup>48</sup>. The extensive use of migrants in industry has slowed even further the entry of Saudis into the growth sectors, where foreigners predominate. Table Seven (see Appendix), for example, indicates how much more quickly the foreign workforce has grown than the Saudi, even amongst skilled and technical staff. Within Saudi

Arabia, a "labor-importation treadmill" similar to the gastarbeiter experience exists, with the important difference that rather than being ghettoized in low-wage sectors, migrants to Saudi Arabia monopolize the expanding industrial sector, where the magnitude of projects and the poorly-trained domestic workforce demands a constant importation of migrant labor<sup>49</sup>.

Even without these internal factors, the size of the migratory labor pool in the Middle East and the desire for cheap manpower by Saudi employers prevents the Saudi government from effectively controlling the migration process, despite a rigid visa program and the state's refusal to naturalize any migrants. A bordering, poor nation like Jordan, for example, exports nearly one-third of its workforce abroad as migrants, and has sought to maintain this process because of wage remittances provided by its migrants<sup>50</sup>.

Such remittances to Jordan, Egypt, Syria, and Yemen totalled \$3.1 billion in 1977, a six-fold increase from 1974<sup>51</sup>. Since 1975, however, Saudi Arabia has increased the importation of foreign labor from India and the Far East at the expense of further Arab-state migration<sup>52</sup>. Asian migrants grew from 5% of the foreign workforce in 1975 to 30% in 1980, while at present they comprise about 60% of all migrant workers in the Gulf region<sup>53</sup>.

This ethnic shift in the foreign workforce did not indicate a change in Saudi policy. On the contrary, by this change the Saudis were maintaining the crucial migrant workforce while avoiding the negative social and political effects of all-Arab migrants, such as Palestinian radicalism, labor agitation and political conflicts with other Arab nations<sup>54</sup>. In so doing, the Saudis created an even more transitory workforce by relying on workers quite alien, culturally speaking, to the region. This increased transience was evident, for example, in a new system of "foreign enclave projects" begun in 1981, where South Korean workers were totally isolated from Saudis on work sites away from cities. These workers were removed en masse at the completion of the project and deported<sup>55</sup>. In general, the migratory Asian workforce is also male, temporary, unskilled, and oriented to remittance-export rather than permanent settlement, which Saudi law prohibits.

The apparent policy conflict between an open-door migration program and restrictive and even xenophobic government and cultural attitudes towards foreigners is explainable by the growth-related contradictions which manifest at all levels of Saudi society. Since the 1960's, Saudi state policies have struggled to overcome the gap between its vast financial resources accruing from oil wealth and an economic growth retarded by labor shortages and a weak infrastructure. Rectifying this imbalance has been the central policy concern of the Saudis for twenty years. Saudi foreign labor policy has thus been a reflection of a deeper issue: the structural unpreparedness of Saudi Arabia to keep up with the pace of its own economic expansion<sup>56</sup>.

Disturbingly, this unpreparedness is particularly acute within the Saudi government, the central planning agent in its society. Never having been colonized, Saudi Arabia lacked any public administration or institutions when it acquired statehood in 1932<sup>57</sup>. The civil service and its planning bodies grew rapidly in response to economic growth and development needs, and as a result became dominated by better-educated foreigners, especially Turks and Egyptians<sup>58</sup>. This domination has continued under oil-boom conditions, prompting one author to comment,

"The excessive dependence of the civil service on expatriate officials means, in effect, that the Saudis are not totally in control of their own destiny ... The government is deeply concerned over the excessive role of expatriate labor in the economy and the bureaucracy, yet the demands of the development process have exacerbated rather than alleviated this problem."<sup>59</sup>

The pace and success of the Saudi development process, especially during the 1970's, owed much to this foreign presence in the civil service and the general workforce, and Saudi criticism of the expatriate population remained muted at first. Both of the first five-year plans (1970-75, 1975-80) exceeded their development targets and the previous expansion record of 12% per annum<sup>60</sup>. Yet, as is apparent in the growth of the migrant workforce during these years - the number of Asian migrants alone in Saudi Arabia grew from 40,000 in 1975 to over 700,000 in 1980<sup>61</sup> - the very success of Saudi economic development increased its dependence on foreign workers and marginalized Saudi nationals even further into peripheral sectors. State policy could no longer ignore the social impact of its reliance on foreigners, but could



do little to stem the influx of migrant workers because of the lack of manpower alternatives.

Nevertheless, its immediate reliance on foreign labor did not prevent the Saudi government from severely restricting migrants' conditions of work and life. By the early 1980's, confronted with a massive foreign workforce, the Saudis instituted policies designed to isolate migrants and limit their civil rights. These policies are similar to others enacted by most oil-exporting nations, and include the following:

1. All labor organizations and strikes are outlawed and responded to by immediate deportation without any legal process<sup>62</sup>.
2. Foreign workers are increasingly imported en bloc and housed in enclave residences far from Saudi communities. Their movement is strictly limited by special visas.
3. Only Saudis can own land, buildings, and businesses or hold a majority share of stock. All foreigners are excluded from school and public health programs, and from obtaining any social assistance like pensions and family support payments.
4. All political parties and trade unions are prohibited unless especially approved by the government. All public criticism of state policies is outlawed<sup>63</sup>.

While these policies have preserved large sections of the foreign workforce in segregated and citizenless conditions, there has been no corresponding increase in the Saudi economic participation rate. Thus, the policy dilemma confronting the Saudi government continues: to sustain the rapid pace of economic development, which it must do to compete with other oil producers, its dependence upon foreign labor must increase, even when this relegates Saudi citizens to peripheral economic life (as in the informal sector and agriculture), and entrenches foreigners in the modern, formal sectors of the economy<sup>64</sup>. The very existence of these dual labor markets has created

a disequilibrium between rural and urban development in Saudi Arabia<sup>65</sup>, and has maintained expatriate control over Saudi administration and technology. Yet Saudi policy has still not produced workable alternatives to foreign dependence, and has in fact shown a disinclination to do so. National expenditures on training and education facilities for indigenous manpower, for example, have remained minimal, even though foreign labor importation has increased<sup>66</sup>. Thus, despite the pressing need for a manpower alternative to foreign labor, Saudi policies have not evolved beyond the short-term goal of securing a cheap and mobile workforce for growth industries.

This economic growth has continued to increase. Rising oil production in late 1985, and a 70% increase in petro-chemical profits from 1984, have prompted the Saudi government to recently announce an increased \$4.3 billion investment in the Jubail-Yanbu petroleum complex alone<sup>67</sup>. The total contribution of Saudi industry to the GNP is expected to climb to over 15% by 1990<sup>68</sup>. Yet as Saudi Arabia transforms itself into an industrial society, the weakness of its industries is evident in the highly protected nature of Saudi manufactured goods and in the shifting direction of investment within the country. A tariff of 20% is imposed on all imported goods in order to protect fledgling production, as in the Saudi cable industry<sup>69</sup>.

Similarly, over the past decade most new investment has switched from the construction to the petro-chemical sector because of the quicker profits to be earned in the latter<sup>70</sup>. Yet despite this industrial instability, Saudi manpower policy continues to base industrial growth almost exclusively on a temporary, foreign workforce whose presence in the economy slows domestic labor participation and siphons wages out of the economy. The Saudi regime's primary manpower source is thus exacerbating the contradictions inherent in the pace and scale of Saudi economic development.

This contradictory and static policy is a reflection of the general lack of policy options available to the Saudi rulers because of the specific demands of a rapid development process. As a population-poor nation whose global influence is based exclusively on its oil wealth, Saudi Arabia must rapidly industrialize to avoid losing this singular advantage to other oil-producing states. However, the Saudis' lack of a

solid infrastructure, from public education to roads to an indigenous labor force, constantly threatens this development process as well as Saudi political hegemony in the Gulf region. By choosing a quick, oil-based course of development, the Saudis have thus forced themselves to rely on a foreign workforce, even when to do so simultaneously threatens long-term social stability.

As one author has commented,

"petroleum has such an overwhelming impact on the economy of developing countries as to rob other resources - such as agriculture, industry or manpower - of the privileged role they are normally expected to play."<sup>71</sup>

In the case of Saudi Arabia, the pace of oil-based development is so rapid and potentially unstable that the prospects for creating a reliable, indigenous workforce increasingly fade as growth proceeds. Saudi manpower policy must grapple with this growing contradiction.

The fact that the Saudi government is only slowly responding to this dilemma is also a reflection of the narrow spectrum of social and political forces which influence the making of policy in Saudi Arabia. Of the groups involved in labor migration in the "developed world" - political parties, trade unions, migrant organizations, the government and business - only the last two exist at all in Saudi Arabia and influence policy direction. Business does so quite peripherally, because of the small size of the Saudi private sector, and usually through the medium of a member of the Saudi royal family. The government is therefore the central actor in the Saudi policy process. The hierarchical political order leaves little room for policy evolution outside that which is first initiated by a royalty-headed government department<sup>72</sup>. Thus, one of the primary policy-making ingredients - interest group consensus - is completely absent in Saudi Arabia.

As a result, Saudi foreign labor policy has been little more than a reflection of the government's immediate economic and manpower goals, and has shown little evolution. The main policy considerations involved in migrant importation - the social expense of using foreign workers versus their economic benefits - have been considered only in relation to the planning priorities of the government and in isolation from other social concerns.

Thus, instead of representing a convergence of different interests and opinion, as in the West German experience, foreign labor policy in Saudi Arabia is the result of a narrow range of priorities, reflective of the narrow power-base of the regime. As such, this policy does not function as a means of mediating conflict or ensuring long-term labor stability, as such policy tends to do in more consensus-based societies. The Saudi labor policy thus highlights the central contradiction in that country, at least from the perspective of political economy: the imbalance between rapid economic growth and social stability in a traditionally insular and non-industrial society. From the point of view of policy process, Saudi foreign labor policy is wholly the product of state planning priorities rather than group consensus or specifically political-administrative factors.

## **THE UNITED STATES**

The American experience of temporary labor migration more closely resembles that of Canada than of mass labor importation economies like West Germany and Saudi Arabia, especially in the U.S.A.'s lack of overall structural dependence upon migrant workers. The U.S.A. and Canada are in a different category from the European and Saudi cases because of the generally smaller sizes of the formers' temporary foreign workforces.

However, Mexican temporary migration to the U.S.A. is a special exception to this fact. A study of such migration is of relevance to our thesis because of the scale of that migration, which comprised about 30% of the world migratory population of twenty million in 1980<sup>73</sup>. This movement of Mexicans into the U.S.A. constitutes the largest sustained international migration anywhere in the world today. Within the southwestern region of the U.S.A., Mexican migrants are pivotal to the economy. In 1980, California alone possessed a Mexican-derived population of 4.5 million, about 20% of the state's total<sup>74</sup>. Nearly two million migrant workers, over half of them illegal, form the core of California's agriculture, garment industry and restaurant labor force, and are heavily present in the construction, hotels, and small manufacturing sectors<sup>75</sup>.

In addition, the policy issues generated within the U.S.A. by the flood of migrants from the south illuminate the range of factors which contribute to foreign labor policy formulation and evolution. The political importance of maintaining social and economic stability on its "southern flank", for example, has compelled U.S. administrators to deal with Mexican migration as something more than a labor market phenomenon. Their policy towards the growing illegal migrant population has had to take into account the economic importance of migrants' wage remittances to Mexico, as well as the underlying social causes of mass migration, and in this sense provides an important example of the multicausal factors behind migrant policy evolution.

The pull of higher wage jobs in the U.S.A. and the comparatively poorer economic conditions in Mexico<sup>76</sup> have been the key factors behind recent Mexican migration to the U.S.A.; that is, migration since the termination of the bilateral labor contracting (or "bracero") program in 1964. In 1975, for example, average agricultural wages in northern Mexico were an equivalent \$2.00 to \$2.80 per day, compared to a U.S. equivalent of \$2.50 to \$3.00 per hour<sup>77</sup>. In 1977, per capita income in the U.S.A. was \$8,720 compared to \$1,130 in Mexico<sup>78</sup>.

This great economic discrepancy has provoked a steady stream of illegal and immigrating Mexicans into the U.S.A. during periods of recession as well as expansion. For example, Mexican net immigration during the economically-unstable 1970's actually increased by over 50,000 over the 1960's level<sup>79</sup>. Illegal migrants, however, have constituted the bulk of the incoming population. During the entire twentieth century, the number of Mexicans deported for illegal entry into the U.S.A. has exceeded the number of legal immigrants by nearly five times<sup>80</sup>. In 1977, for example, 44,500 Mexicans immigrated to the U.S.A. while 954,800 were apprehended as illegal migrants, a ratio of over twenty illegals to every legal migrant<sup>81</sup>.

Mexican in-migration is characterized by several unique features when compared to world migration. First, there exists a settled and economically-integrated Mexican immigrant population despite vast influxes of illegal Mexicans. Second, there is a tradition of bilateral policy agreements governing migratory movements across the U.S.A.-Mexico border because of the mutual economic importance of that movement

to both nations<sup>82</sup>. These characteristics are the result of a long history of migrant labor importation from Mexico.

Until World War II, Mexican labor was one of many foreign sources of cheap manpower in the southwestern U.S.A. Up to 1939, Mexican immigration averaged only 4.5% of the U.S. total each decade, and from 1900 to 1940 barely 150,000 illegal Mexicans were expelled<sup>83</sup>. However, war-time labor shortages and security restrictions on employing aliens produced a Mexico-U.S.A. agreement to import a regular number of contract farm laborers or "braceros"<sup>84</sup>. By 1945, about 170,000 Mexicans had migrated on a temporary basis to U.S. fields, and nearly four million migrants were provided by this program by the time it terminated in 1964<sup>85</sup>.

Illegal immigration mushroomed for the first time during the bracero period, as jobs for foreign transients opened up in the U.S.A., but also because of internal conditions in Mexico. Falling small-scale agricultural productivity caused by the post-war growth of monopoly agribusinesses forced many rural Mexicans off their land and into cities, particularly in the northern states, which swelled with unemployed ex-peasants<sup>86</sup>. Yet a consistently uneven rate of growth in industrial employment failed to absorb these displaced Mexicans, and, when combined with a high population growth rate and a labor participation rate of only 30%, produced a non- or under-employed workforce of nearly 40%<sup>87</sup>. This massive unemployed population was inexorably drawn to higher-paying U.S. jobs, especially after the bracero program legitimized increased Mexican migration<sup>88</sup>.

The bracero program attempted to regularize and control this growing flood of Mexican labor, yet ironically ended up facilitating even greater illegal migration by opening up new job opportunities for Mexicans<sup>89</sup>. Thus, even after the end of the bracero program, the number of illegal migrants climbed to over one million by the mid-1960's, while legal Mexican immigration jumped from 54,000 in the 1940's to 432,000 in the 1960's and 524,000 in the 1970's<sup>90</sup>. In short, American immigration policy has consistently failed to keep a lid on Mexican immigration, let alone reduce illegal entry levels. This failure has continued despite bilateral collaboration and numerous treaties to control labor migration.

The central foreign labour policy objective of the U.S.A. since World War II has been to obtain additional labor for low-wage sectors while maintaining a strict limit on migration and control over the migratory process. After the failure of *bracero* to maintain this limit, U.S. policy shifted to transforming the illegal population into documented contract workers. Hundreds of thousands of illegal Mexican migrants were given contract status during the 1950's, but the failure to stem illegal migration compelled the U.S. Immigration and Naturalization Service (INS) to revert to mass, unilateral expulsions as a way of directly halting migration. Yet, as with today, the expelled migrant would soon re-enter the U.S.A., rendering expulsions ultimately fruitless.

U.S. policy, however, has shuttled back and forth between these approaches for decades, even though neither mass expulsions nor mass legalizations prevented from six to eight million illegal Mexican migrants from accumulating in the U.S.A. by 1980<sup>91</sup>. American administrations have seemed unable or unwilling to appreciate the deeper economic forces compelling mass migration, forces which are not changed simply by expelling migrants. The question of the causes of illegal migration in fact only became a national policy issue in the U.S.A. with the return of economic recession in the late 1970's. At present, this issue has two aspects, in the American view: a) the impact of continued Mexican migration on the U.S. economy and society, and b) the de-stabilizing effects which curtailing this migration would have upon Mexico<sup>92</sup>. These concerns are fundamental to U.S. foreign labor policy in the 1980's.

The most commonly expressed American fear regarding Mexican migration involves the latter's supposedly negative effect on domestic job opportunities and wage levels. However, the bulk of migrants occupy low-wage service and farming jobs which American workers shun. For example, over two-thirds of Mexican migrants are employed in small, "sweatshop" firms of under fifty employees, while less than 9% of U.S. workers occupy such jobs<sup>93</sup>. Similarly, illegal migrants' wages are, on the average, barely 60% of those of American workers in comparable jobs<sup>94</sup>.

Despite this segregation of low-wage migrant labor, and the lack of concrete evidence linking migrants with reduced job opportunities for Americans, government studies since the 1970's have blamed illegal immigration for depressing wages in the southwestern economy. For example, a Senate committee report in 1981 stated,

"it is apparent that the continuing flow of undocumented workers across U.S. borders has certainly contributed to the displacement of some U.S. workers and the depression of some U.S. wages"<sup>95</sup>.

There is, on the other hand, compelling evidence concerning the potentially-destructive effect which curtailing migration would have on Mexico. Emigration provides both an outlet for a chronically underemployed Mexican population, and a source of wage remittances into its domestic economy. These remittances totalled about \$300 million in 1975 and \$500 million in 1982<sup>96</sup>. Closing the economic safety-valve provided by out-migration would not only upset an already debt-burdened Mexican economy but create political tensions with America's third largest trading partner.

These dual policy concerns highlight the contradictory forces behind U.S. foreign labor policies: "domestic factors" like electoral popularity require a restriction on Mexican migration - the Roper Poll of June, 1980 found that over 80% of Americans surveyed wanted a drastic reduction in all immigration to the U.S.A.<sup>97</sup> - while "international factors" like bilateral treaties and regional economic stability require continuing this migration. While, in general, these conflicting pressures have produced, and continue to produce, a shifting and inconsistent immigration policy, the trend under both the Carter and Reagan administrations has been an emphasis on the first factor at the expense of the second as the U.S.A. has withdrawn into a "Fortress America" stance.

The Reagan government's 1981 reforms to the Immigration and Naturalization Act (INA), for example, attempted to reduce the illegal migrant population through stricter border enforcements, more detention facilities, higher fines on employers using illegals, and by institutionalizing migrants' second-class position by creating a new status: the temporary resident alien<sup>98</sup>. The temporary alien can work in the U.S. but cannot sponsor the admission of relatives, as any other resident can. The alien



must also pay income tax but cannot receive welfare, Medicaid or other social services. Only after ten years may the alien apply for normal residence. Similar restrictions are contained in the controversial Simpson-Mazzoli Bill, first introduced in 1982 and once again before Congress<sup>99</sup>.

Thus, by legalizing illicit migrants as permanent second-class residents, the Reagan administration is employing institutionalized discrimination in the hope of discouraging illegal migration. While this is the main policy thrust of the 1981 reforms, their enactment was accompanied by concessions to bilateral commitments. The reforms doubled the annual immigration quotas for Mexico and Canada to 40,000 each in order to encourage legal migration and take some of the sting out of its draconian measures towards Mexican illegal migrants<sup>100</sup>. And, perhaps as a concession to American employers desirous of cheap labor, the reforms also proposed the establishment of a guestworker program with Mexico, whereby 50,000 temporary workers would be imported each year. This proposal failed, however, because Mexico opposed such a program on the grounds that its failure to guarantee social benefits and relative sponsoring rights to Mexican guestworkers in America was discriminatory.

The general lack of Mexican support for any of the other Reagan INA reforms has not halted their enactment, but it has demonstrated the diverging interests of the two nations concerning labor migration: the U.S. wants to tightly limit and control migratory movements while Mexico seeks to maintain the free, rather than regulated, movement of its unemployed workforce across its northern border<sup>101</sup>.

These diverging interests indicate that the evolution of U.S. foreign labor policy towards one which embraces and balances American economic concerns as well as Mexican social stability has been disrupted.

Unlike previous administrations, the Reagan government is primarily concerned with incorporating illegal migrants into the formal U.S. labor market as permanently disadvantaged workers. Yet nowhere in this policy is there provision regarding the consequences such an approach will have on Mexico - even when, if the reforms achieve their aim of reducing Mexican migration, the economic effects in Mexico will

be severe<sup>102</sup>. The Reagan initiative marks a clear erosion in the traditionally bilateral policy arrangement between Mexico and the U.S. over immigration.

Beyond this development, the fact that the present U.S. government is repeating the "mass legalization" strategy of the 1950's, which not only failed to control migration but actually encouraged it, perhaps indicates something more than historical myopia. Reagan's electoral support rests strongly upon a conservative constituency opposed to increased Mexican migration, as reflected in the aforementioned Roper Poll of 1980. The same poll indicated that 76% of Americans surveyed desired a ban on the hiring of undocumented workers, a mood which the Reagan reforms responded to in its measures against employers using illegal migrants<sup>103</sup>. This is a clear example of how the government's political impulse to placate its voter base is stronger than its desire to provide a cheap, migrant workforce for American business, a fact of which economically-deterministic analyses of labor migration should take serious note.

Thus, what is unique about the present course of U.S. foreign labor policy is the extent to which it is guided not by labor market considerations as by purely ideological and political factors. These factors appear to have arisen not so much from a need for interest-group consensus within America as from a prioritizing within the U.S. administration of the political fortunes of the Reagan regime.

However, in another respect, the Reaganite reaction to Mexican migration is not totally novel but rather a continuation of American opposition to cheap labor importation from Mexico. U.S. immigration policy has always been highly cognisant of the huge manpower surplus to the south, and for decades discriminated against Mexican immigrants. For example, while the percentage of all migrating foreigners naturalized in the U.S.A. was 59% in 1930, 68% in 1950 and 64% in 1970, the comparative percentage of Mexicans naturalized in the same years was, respectively, 24%, 26% and 39%<sup>104</sup>. This discrimination against Mexican settlement, however, did not prevent the U.S.A. from importing an average 40,000 to 70,000 seasonal, return laborers from Mexico each year for most of this century<sup>105</sup>.

American policy thus seems historically caught between two attitudes concerning Mexican migration: one of social exclusion versus one of economic exploitation. The latter has required incorporating migrants into the U.S. labor market and society, while stated government policy must simultaneously appear to oppose such integration. Notwithstanding the apparent decisiveness of the 1981 INA reforms, these conflicting pressures, and the continuing massive level of illegal Mexican as well as Central American migration to the U.S.A. - a net annual inflow of over 500,000 illegal workers<sup>106</sup> - have prevented the elaboration of a final or definitive American policy agreement concerning foreign labor migration. This reality is reinforced by the fact that public policy in the U.S.A., as in any consensus-based nation, is only good until the next election. Therefore, the resolution of labor migration as a systemic and hemispheric response to social and economic conditions seems unlikely within the conflicting priorities of U.S. policy in the 1980's.

#### **TENTATIVE HYPOTHESES REGARDING FOREIGN LABOR POLICY EVOLUTION**

The evidence from the preceding study of three nations' foreign labor policies indicates that three factors are predominantly responsible for influencing the formulation and development of such policies. These factors are:

1. The economic benefits of employing migrant workers.
2. The social and governmental costs of employing migrants and integrating them into society.
3. The goals and relative influence on the policy process of five major interest groups: a) business, b) the governmental civil service, c) political parties and constituencies, d) trade unions, and e) migrant organizations.

In the case of all three nations studied, regardless of the level of economic development, foreign labor importation began in response to the first factor, which assumed the greatest initial importance in policy decisions. In particular, the manpower needs of growth industries, as well as temporary labor shortages in low-paid

service industries, constituted the main *raison d'être* behind the creation of government migrant worker importation programs. The profitability to business of employing cheap, transient labor, and the associated political gains for government of an expanding economy, fueled migrant importation and expanded the foreign workforce. During this initial stage of migrant employment, the economic benefits of foreign labor outweighed the other factors in terms of influence on policy formulation, and tended to create a common, open-door migration policy.

As the foreign workforce grew and once-temporary workers began to settle as residents, the second and third factors, never completely absent from policy considerations, began to influence policy decisions more. This change is particularly noticeable in the West German and American examples. Purely economic interests and priorities began to yield to broader social considerations of the impact of foreign labor. In addition, the growing number of interests affected by migrant labor, including migrants themselves, influenced government policies either for or against migrant integration. As a result, the policy issue of foreign labor evolved beyond a purely profitability-related consideration dominated by business interests to a broader and highly political issue involving many sectors in society, and capable of affecting the outcome of national elections, as for example in West Germany in 1983.

In short, as a result of these factors, foreign labor policy can be seen to evolve according to a roughly three-stage process:

1. "Pure Economics": Manpower-related movement, dominated by government and business.
2. "Slowdown": First negative effects of large-scale importation, and developing influence of other interest groups. Dominated by the government, business and political parties/trade unions.
3. "Pragmatic Adjustment": End to migration programs and economically-based policy decisions as social/political considerations become primary. Continued balance between government, business and popular interest groups in terms of policy formulation.

It must be noted that this progression is neither unilineal nor uniformly applicable to all nations which utilize foreign migratory labor. For example, while West Germany has clearly reached the third stage in this policy evolution scheme, Saudi Arabia remains in the first phase, perhaps indefinitely, because of the recent nature of migrant importation and the absence of established interest groups and a related pluralistic political process.

Of the interest groups which influence foreign labor policy in the course of this evolution, business and government are the most important actors in terms of determining policy. As the other policy-influencing factors come into play, however, these predominating interests are counter-balanced by broader constituencies, especially political parties and unions, which can influence migrant policy in an equally decisive way as social considerations assume importance. Universally, migrant workers themselves, either individually or through their own ethnic-based organizations, exert no direct influence over government policy, and are negligible political actors. Their influence is only felt, if it is felt at all, through non-migrant labor or political organizations, as in West Germany.

In summary, the fact that established interest groups like trade unions and political parties are not uniformly present in all societies employing migrant workers suggests that only the first two of the above policy-influencing factors are the common denominators in policy formulation: the economic benefits versus the social costs of foreign labor importation. It is therefore hypothesized that foreign labour policy evolves according to the relationship and interaction between these two factors, and secondarily as a result of various interest group influences on government policy.

## NOTES: CHAPTER TWO

1. Stephen Castles, *HERE FOR GOOD: EUROPE'S NEW ETHNIC MINORITIES* (LONDON: Pluto, 1984), Table 5.2, p. 128.
2. *Ibid*, p. 11.
3. Italy, Spain, and Greece accounted for 41.2% of all foreigners in West Germany in the early 1960's. H. Thomas, *THE LEGAL NATURE OF EUROPEAN MIGRANT WORKERS* (Paris: UNESCO Press, 1982), p. 127.
4. Castles, Figure 3.2, p. 73.
5. For example, women rose as a percentage of incoming migrants by about twofold during the 1960's, to 29% in 1971. Thomas, p. 127.
6. By 1975, for example, 13% of all German construction workers were foreigners, with 12.8% in the service sector. In 1981, 27% of foundry workers were migrants, 20% in textiles, and so on. See Castles, Table 5.5, p. 132, and *INDUSTRIAL AND LABOR RELATIONS REVIEW*, Vol. 33 (3), p. 3-19.
7. *Ibid.*, p. 325.
8. Helmut Jelden, "Wenn die ausländischen Arbeitnehmer zuruckkehren", In *AUSLANDSKURER* (5) , 1970, p. 36.
9. *INDUSTRIAL AND LABOR RELATIONS REVIEW*, p. 324.
10. Eric Smith, *THE WEST GERMAN ECONOMY* (London: Croom Helm, 1983), Table 6.7, p. 159.
11. *INDUSTRIAL AND LABOR RELATIONS REVIEW*, P. 320.
12. Thomas, *THE LEGAL NATURE*, pp. 116-17.

13. This premise is elaborated in REFUGEES AND MIGRANTS: PROBLEMS AND PROGRAM RESPONSES (New York: The Ford Foundation, 1983) p. 9.
14. Thomas, THE LEGAL NATURE, pp. 135, 137.
15. Ibid., p. 137. This law was in fact derived legislatively from bills enacted by the Nazi government in the 1940's to control the movement of foreign slave labor populations within Germany.
16. Castles, HERE FOR GOOD, pp. 72, 75. The first bilateral gastarbeiter agreement was signed with Italy in 1955, for several thousand summer farm laborers.
17. Thomas, LEGAL NATURE, p 115
18. Such treaties were signed with Japan (1956), Spain and Greece (1960), Turkey (1961, 1964), Morocco (1963), Portugal (1964), Tunisia (1965), and Yugoslavia (1968). See Gottfried Volker, "Labour Migration: Aid to the West German Economy?" In MANPOWER MOBILITY ACROSS CULTURAL BOUNDARIES, ed. R. Krane (Leiden: E.J. Brill, 1975), pp. 11-12.
19. INDUSTRIAL AND LABOR RELATIONS REVIEW, p. 318.
20. Thomas, p. 122.
21. Smith, p. 160.
22. A 1978 German Supreme Court decision, for example, disallowed any foreign cultural association from becoming or "acting" like a political party, and barred campaigning and other electoral freedoms. No foreigner can vote or run for public office. See Ray C. Rist, GUESTWORKERS IN GERMANY (London: Praeger, 1978), p. 147.
23. A German union official recently stated, "In order to protect German employees, all legal possibilities must be utilized to send home foreign workers who are no longer needed. If they do not go voluntarily, regulations which permit their expulsion will just have to be applied more stringently." Castles, p. 151.

24. This has been particularly true in the area of housing, where a DGB campaign won 31 specifications for proper conditions in 1971. Rist, p. 152.
25. Castles, p. 152.
26. See the discussion in Castles, pp. 84-5.
27. Castles, p. 207.
28. Ibid.
29. Castles, p. 84.
30. Cited in Castles, p. 199.
31. See the discussion of this point in Michael J. Piore, **BIRDS OF PASSAGE: MIGRANT LABOR AND INDUSTRIAL SOCIETIES** (Cambridge University Press, 1979), pp. 81-3.
32. Ibid.
33. See Fritz Franz, "The Legal Status of Foreign Workers in the Federal Republic of Germany", In Krane, p. 49.
34. **INDUSTRIAL AND LABOR RELATIONS REVIEW**, p. 319.
35. Franz, p. 49.
36. Castles, p. 207.
37. Stephen Castles and Godula Kosack, **IMMIGRANT WORKERS AND CLASS STRUCTURE IN WESTERN EUROPE** (London: Oxford University Press 1973) p. 399, discusses the economic benefits of migrants to an expanding economy because of the heightened productivity created by a mobile and low-paid workforce.



38. Robert Looney, SAUDI ARABIA'S DEVELOPMENT POTENTIAL (Toronto: Lexington, 1982), p. 129. These are 1980 figures.
39. John Shaw and David Long, SAUDI ARABIAN MODERNIZATION: THE IMPACT OF CHANGE ON STABILITY (New York: Praeger, 1982), p. 42.  
The majority of the Saudi civil service has, in fact, been imported from Egypt, Lebanon and the Sudan, while, in 1975, 85% of construction workers, 31% of service employees, 92% of doctors and 80% of teachers were foreigners.
40. Shaw and Long, p. 5. These figures are in current dollars.
41. Ragaei El Mallakh, ed., SAUDI ARABIA: ENERGY, DEVELOPMENTAL PLANNING, INDUSTRIALIZATION (Toronto: Lexington, 1982), p. 165.
42. Shaw and Long, p. 410.
43. J.S. Birks and C.A. Sinclair, ARAB MANPOWER: THE CRISIS OF DEVELOPMENT (London: Croom Helm, 1980), p. 274.
44. Ibid.
45. In 1975, only 2% of all migrant workers in Saudi Arabia were female. Birks and Sinclair, p. 265.
46. Ibid., Table 5.4, p. 97.
47. See El Mallakh, Table 14.3, p. 165.
48. A majority of Saudis are employed in the stagnating agricultural sector, while the virtual non-participation of Saudi women in the economy produces the low overall involvement rate. Birks and Sinclair, p. 273.
49. See Shaw and Long, p. 46, which points out that even if the percentage of nationals in industry was increased, the rate of economic growth would still require 75,000 new migrants each year after 1985.
50. Looney, p. 129. Yemeni remittances totalled 40% of its GNP in 1980.

51. Birks and Sinclair, p. 269.
52. Asian migrants were present in the Gulf region before the 1970's, yet their numbers swelled after 1975. South Korean workers alone increased from 4,000 to 100,000 in this period. Shaw and Long, p. 47.
53. S. Chubin et al, SECURITY IN THE GULF (London: Gower, 1982), p. 128.
54. Looney, p. 129.
55. See Birks and Sinclair, p. 348.
56. See the discussion in Tim Niblock, ed., STATE, SOCIETY AND ECONOMY IN SAUDI ARABIA (London: Croom Helm, 1982), p. 107.
57. Ibid., p. 107.
58. Shaw and Long. pp. 74-5.
59. Abdelrahman Al-Hegelan and Monte Palmer, "Bureaucracy and Development in Saudi Arabia", In THE MIDDLE EAST JOURNAL, Vol. 39, (1), (Washington: Middle East Institute, 1985), p. 49.
60. Shaw and Long, pp. 13, 19.
61. El Mallakh, Table 14.3, p. 165.
62. See Ibrahim, p. 120.
63. Chubin et al, pp. 80-81 (I).
64. See the discussion in Henry Azzam, "The Labour Market Performance in Some Arab Gulf States", in May Ziwar-Daftari, ed., ISSUES IN DEVELOPMENT: THE ARAB GULF STATES (London: MD Research, 1980), p. 36.

65. Ibid.
66. See Antoine Zahlan, "Constraints on the Acquisition of Technology", in Ziwar-Daftari, pp. 80, 83. In fact, for the entire Gulf region, total research and development costs in 1980 totalled less than .15% of the GNP of all Gulf states.
67. THE MIDDLE EAST, No. 135 (London: I.C. Publications, 1986), p. 33.
68. Ibid., p. 28.
69. Ibid.
70. See the comments on long-term economic growth of Industry and Electricity Minister, Abdel-Aziz al-Zamil, Ibid., p. 33.
71. Ziwar-Daftari, p. 20.
72. See Niblock for a more complete discussion of the centrality of the Saudi royal family in all economic transactions in Saudi Arabia.
73. Willy Brandt, ed., NORTH-SOUTH: A PROGRAM FOR SURVIVAL (Cambridge: MIT Press, 1980), p. 109.
74. Wayne A. Cornelius et al, MEXICAN IMMIGRANTS AND SOUTHERN CALIFORNIA: A SUMMARY OF CURRENT KNOWLEDGE (La Jolla: Center for US-Mexican Studies, 1982), Report No. 36, p. 12.
75. Further statistics on legal Mexican immigration to the U.S.A. are contained R. Shafer and D. Mabry, NEIGHBOURS: MEXICO AND THE U.S. - WETBACKS AND OIL (Chicago: Nelson-Hull, 1981), Tables 6.1 and 6.2, pp. 88, 89.
76. See Walter Fogel, "Twentieth Century Mexican Migration to the United States", in Barry Chiswick, ed., THE GATEWAY: U.S. IMMIGRATION ISSUES AND POLICIES (Washington: AIPPR, 1982), p. 200.

77. Lourdes Arizpe, "The Rural Exodus in Mexico and Mexican Migration to the United States", in Peter Brown and Henry Shue, eds., *THE BORDER THAT JOINS* (Totowa: Rowman and Littlefield, 1983), p. 175.
78. Niles Hansen, *THE BORDER ECONOMY* (Austin: University of Texas Press, 1981), p. 12.
79. Fogel, pp. 197-200.
80. Larry Morgan and Bruce Gardner, "Potential for a U.S. Guest Worker Program in Agriculture: Lessons from the Braceros", in *THE GATEWAY*, Table I, p. 363.
81. Fogel, Tables 1, 3, pp. 196, 199.
82. See the discussion in Cornelius, pp. 83-4.
83. Morgan and Gardner, Table 1, p. 363.
84. This program was created by the Farm Labor Bill of April, 1943 (Public Law No.45), derived legislatively from the U.S. Immigration Act of 1917. Ibid.
85. Ibid., Table 2, p. 365.
86. Hansen, p. 89.
87. Brown and Shue, pp. 168, 192.
88. Hansen, p. 92, and Sidney Weintraub and Stanley Ross, *TEMPORARY ALIEN WORKERS IN THE UNITED STATES* (Boulder: Westview, 1982), p. 27.
89. Vernon Briggs, "Foreign Labor Programs" in Brown and Shue, p. 226.
90. R. Hofstetter, ed., *U.S. IMMIGRATION POLICY* (Duke University, 1984), pp. 155 - 6.

91. Briggs, in Brown and Shue, p. 223.
92. See the discussion in Weintraub and Ross, p. 103.
93. Cornelius et al, p, 34. A 1979 study also revealed that only 4% of illegal Mexican migrants worked in managerial or professional positions, while 78% were low-paid laborers or service workers. See also Hofstetter, Table 1, p. 208.
94. For example, nearly one-half of all Mexican garment workers and one-third of Mexican restaurant workers surveyed in Los Angeles in 1981 were paid less than the minimum wage. Cornelius et al, p. 43, and Weintraub and Ross, p. 59.
95. Hofstetter, p. 48. Also see Cornelius et al, pp. 44, 46.
96. Weintraub and Ross, p. 73.
97. Hofstetter, p. 44.
98. Ibid., p. 50.
99. Ibid., pp. 51-2.
100. This increase raised the annual U.S. immigration quota to 310,000. Ibid., p. 51.
101. These are only general interests, for policy exceptions exist. The U.S., for example, has imported an average 30,000 temporary workers each year since 1952 to harvest crops under its "H2" foreign workforce program, which has continued despite the Reagan reforms. See Weintraub and Ross, p. 46.
102. See the discussion in Hofstetter, pp. 126 - 7.
103. Ibid., pp. 3, 129.
104. Richard Easterlin et al, IMMIGRATION, pp. 148-9.

105. Brown and Shue, p. 50.

106. "Illegal Immigration: Challenge to the U.S.", in CURRENT (Economic Policy Panel of the United Nations Association, U.S.A., March/April, 1982), No. 241, p. 39.

### CHAPTER THREE: CANADIAN FOREIGN LABOR POLICY

This chapter will describe the nature and evolution of foreign labor policy in Canada in order to contrast the Canadian migrant worker experience with that of the other nations studied in the previous chapter. In so doing, it will attempt to test the validity of the aforementioned hypotheses regarding migrant policy formulation, and to assess the importance, or non-importance, of each of these factors in the Canadian policy-making process. As a descriptive account, Chapter Three will identify in a comparative manner what foreign labor policy is in Canada and locate its unique features. Chapter Four will then explain why this is so and discuss future Canadian policy options regarding foreign labor. In this way, a broader understanding of the nature and direction of Canadian migrant labor policy will be achieved.

Canada possesses a small migrant labor force of about 150,000 or fewer legal workers, about 1% of the national workforce in 1983<sup>1</sup>. While this is an insignificant number in relation to migrant populations in other industrialized nations, or to the traditionally large immigrant population in Canada, migrant workers at present constitute a major source of new foreign labor for the Canadian economy. In the early 1980's, for example, the number of workers on temporary employment visas became larger than the total number of immigrants, and, by 1983, was 1.5 times greater<sup>2</sup>. Thus, despite its small size, the temporary migrant workforce occupies an important position in the Canadian economy, and to a lesser extent in public policy concerns.

We previously described how the dynamic governing the formulation of foreign labor policy appears to consist of a permanent tension between the economic benefits to business derived from a low-wage, transient workforce, and the political liabilities and social conflicts produced by a foreign population denied citizenship. This tension has continually manifested in Canada's policies towards foreign manpower throughout the twentieth century. Specifically, two fundamental issues have determined immigration policy in Canada since Confederation: the political priority of controlling non-English and non-French immigration, and the economic priority of filling Canada's vast, expansive markets with a reliable labor source<sup>3</sup>.

The first issue has remained relatively unchanged in importance, and has been reflected, for example, in the traditionally wide powers of the Governor in Council, and the executive office, to formulate immigration and labor regulations<sup>4</sup>. It was also reflected in the anti-Asian Immigration Acts, enacted as early as 1872, which excluded Asiatics from citizenship. While this limit on non-white immigration was formally abandoned in 1967, when discrimination on the basis of race and national origins was removed from Canadian immigration policy, the proportion of Third World migrants allowed entry into Canada each year has remained a minority of all visa holders<sup>5</sup>.

The second, economic priority has changed with the fluctuating labor requirements of the Canadian economy, particularly after World War II, when policy governing both temporary and permanent migration became even more closely oriented to the short-term manpower needs of certain industries<sup>6</sup>. This orientation, however, has been a consistent feature of Canadian immigration. Until about 1920, for example, Canada's booming wheat exports produced a massive need for temporary labor to work a largely-seasonal economy. Accordingly, migration policy was open and generally unrestricted, resulting in an influx of over one million migrant workers between 1896 and 1914. Many of these migrants left Canada after brief stints of contract employment, but an even larger number settled as immigrants, especially in the west<sup>7</sup>.

Until World War I, temporary migrants accounted for more than 80% of the net growth in the Canadian workforce, which doubled between 1895 and 1914<sup>8</sup>. These foreign workers occupied the key economic sectors of the resource industries and railways, where they constituted a majority of the workforce. In 1911, for example, 57% of all mineworkers in Canada, and 84% of B.C. miners, were foreign contract laborers<sup>9</sup>. This structural importance of migrant labor vanished, however, with post-war economic recession. After 1918, restrictive immigration policies were adopted for the first time in Canada. During the early 1920's, for example, a visa system to control in-migrating populations and a more regulated, sponsored immigration system were established<sup>10</sup>. Similarly, the Great Depression terminated forever any large-scale migrant worker programs in Canada, as most contract labor was banned in 1929, and the Immigration Law (P.C. 695) of 1931 limited the employment of temporary foreign



labor to farms and the domestic sector<sup>11</sup>.

The return of economic growth during the 1940's reversed this policy trend, and, although not to the same magnitude as before, foreign manpower was again encouraged to migrate to Canada<sup>12</sup>. Prohibitions on contract labor were overturned in 1947 with P.C. 1329, which lifted all occupational restrictions on foreign workers and encouraged their use in mining and logging<sup>13</sup>. In addition, the revised Immigration Act of 1952 widened sponsorship categories and eased national origins restrictions, reforms which provoked a rise in the employment of foreign labor, primarily in the blue collar and resource industries. For example, nearly two thirds of all migrating workers in the 1950's were employed in these sectors, in part because of an exodus of Canadian workers into higher paying industrial jobs<sup>14</sup>. The massive capital investment in infrastructure during the 1950's created a classic labor demand - similar to that experienced today in Saudi Arabia - which was met by lowering entry and employment restrictions on unskilled foreign workers. As a consequence, during the 1950's, foreign labor still accounted for 75% of the net growth in the Canadian workforce<sup>15</sup>.

Political factors, as well as the changing nature of labor demand, intervened in the late 1950's to slow this renewed reliance on migrant workers. In 1958, the Diefenbaker government announced a change in immigration policy which limited competition for jobs between Canadian and foreign workers by assessing the job skills of the latter. This new policy reflected the limited market for unskilled foreign labor in a Canadian economy increasingly demanding educated, skilled workers in capital- rather than labor-intensive industries<sup>16</sup>. The major exception to this market trend was in agriculture, by its nature a seasonal industry with a high unskilled labor demand.

In addition, the traditional European sources of unskilled migrant labor began to experience manpower deficits by 1955 as their own economies expanded and fewer workers migrated abroad. Those sectors vacated by European migrants, however, were filled by and large by Canadians rather than other foreign workers. Thus, rather than increasing into the 1960's, as it did in Europe, the foreign worker population in Canada decreased significantly during that decade. Nevertheless, migrant labor continued to

account for 40% of the net growth in the Canadian workforce during the 1960's<sup>17</sup>. While shrinking in absolute numbers, the migrant labor force changed in terms of its place of origin; increasingly, migrants came from Asia and Caribbean. This change was reflective of the altering nature of the immigrant population after 1965. In that year, Asian immigrants comprised only 6% of total immigration, while Europeans were 76%. By 1983, Asians were 42% of the total, while Europeans had fallen to 27%<sup>18</sup>.

This history, and the changes in the total migrating population during the 1960's and 1970's, policy over the past quarter century. Canada's economy has not required a large, unskilled foreign workforce in its key sectors because of the smaller-scale nature and relatively modest labor requirements of Canadian industry, which the indigenous workforce could supply. However, the small size of Canada's workforce in relation to an expansive service and white-collar sector created a labor shortage in low-wage services and in agriculture, which foreign migrants continued to fill because of Canadians' aversion to such work<sup>19</sup>. By the early 1970's, the majority of Third World migrants to Canada were concentrated in these two sectors. Third World labor migration into the white collar sector alone rose from 3,200 per year in the 1950's to 13,300 per year in the 1960's<sup>20</sup>. This situation maintained a sectoral reliance on foreign migrants, and a government policy which encouraged low-wage employment in the service sectors.

Because of Canada's general need for skilled, educated immigrants, and as part of the political liberalization of the 1960's, immigration policy after 1967 became less discriminatory and broadened sponsorship rights in order to facilitate professional and white collar immigration, as well as a limited unskilled, temporary migration<sup>21</sup>. As a consequence, the percentage of professional and white collar migrants soon outnumbered the traditional blue collar migrant population, the former growing from 10% of the total foreign workforce in 1951 to about 50% in 1974<sup>22</sup>. This professional group, however, brought in its wake a new generation of unskilled foreign workers because of the broader sponsorship policy of the 1967 Immigration Act, which caused more than half of all immigrants to be admitted under a sponsored or nominated category by the 1970's<sup>23</sup>.

The growing unskilled foreign population was also the result of heightened illegal immigration, especially from the Caribbean. By the early 1980's, more than 50,000 illegal migrants were entering Canada each year, lured by its comparatively higher wages. Various amnesty programs aimed at reducing this illegal population have failed to do so<sup>24</sup>.

In response to this influx, a temporary employment visa (TEV) system was established in 1973, which required all temporary migrants and visitors to possess a work permit. The TEV represented an official policy recognition of the need for a migrant workforce in order "to relieve temporary shortages in Canada's labour market and to protect the Canadian labour force against unjustifiable resort to foreign workers"<sup>25</sup>.

This statement reveals the dual motives of Canadian foreign labor policy during the 1970's and 1980's: to continue providing a limited but constant flow of cheap labor into selected industries while preventing an overall economic dependence on foreign workers from developing<sup>26</sup>. During the first years of the TEV program, these goals were achieved on a national level. Of the total number of TEV's issued in 1974, for example, only 12% were granted to farm laborers, and 16% to service sector workers, while nearly one-half were issued to professionals and business people<sup>27</sup>. At the same time, however, the proportion of low-wage migrants was much greater in certain provinces. Nearly 40% of all TEV migrants to Ontario in 1974 were low-wage farm laborers or service workers. Thus, rather than minimizing reliance on poor migrants, the TEV program created low-paid job ghettos in industries where few Canadians would work.

This tendency has been exacerbated by the fact that the number of temporary foreign workers admitted to Canada has increased as the economy worsens and regular immigration declines. Between 1974 and 1983, the number of immigrants entering Canada decreased by 59%, while the number of temporary workers admitted increased by 50%<sup>28</sup>. And, whereas in 1974, TEV workers totalled less than one-half of the incoming foreign population, by 1983, 1.5 times as many temporary migrants were granted entrance than immigrants<sup>29</sup>. What explains this apparent correlation between

declining immigration and increased reliance on a temporary foreign workforce?

A partial explanation may be found in the economic problems created by immigration policy changes after 1967. As entrance requirements became more restricted, and came to emphasize job skills and education over the earlier national origins criteria, the large pool of cheap, unskilled labor formerly available to employers diminished. Rather than improve wages to levels befitting a more skilled workforce, employers tended to look elsewhere for cheap labor, particularly to Asia and the Caribbean. This desire for such manpower has increased in recent years as the Canadian birthrate has fallen below the national replacement level<sup>30</sup> and the indigenous labor participation rate has also declined. Immigration, in effect, continues to provide the main source of new workers for the economy. Yet as official immigration also decreases, temporary migrant workers have become an even more important labor source<sup>31</sup>. In short, politically-motivated changes in immigration policy have produced a renewed economic reliance in Canada on temporary foreign workers<sup>32</sup>.

In a relatively open economy like Canada's, where in-migration has traditionally accounted for so much of the growth in the labor force and productivity, it is not surprising that government policy has allowed continued temporary labor migration during economic recessions. The first major bilateral agreements with labor-exporting nations were, in fact, negotiated during the economic slowdown of the mid-1970's. The Caribbean Seasonal Workers Program, for example, was created in 1973 with the governments of Jamaica, Trinidad, and Barbados to recruit agricultural labor for summer orchards in Ontario. Over 3,000 temporary migrants were imported under this program in the first year, while by the 1980's, about 6,000 workers were brought in<sup>33</sup>. In June, 1974, a similar agreement was signed with Mexico for several hundred harvest laborers<sup>34</sup>.

Since 1973, the majority of TEV migrants have come from the USA and Britain. In 1983, only about 40% of TEV workers to Canada were from Third World countries<sup>35</sup>. And, while TEV holders from the USA and Europe tend to stay longer in Canada, Caribbean and third world migrants are more seasonal; about 72% of them worked in

Canada less than nine months during 1973 and 1974<sup>36</sup>. Third World migrant workers in Canada thus are fewer in number and more temporary than other migrants.

Government policy towards the growing population of illegals has wavered between granting landed immigrant status to resident offenders (1983) to cancelling such amnesty in response to political pressure (1985)<sup>37</sup>. Nevertheless, the general reluctance of either level of government to prosecute illegal migrants - in 1979, for example, of the 100,000 estimated illegal migrants in the Toronto area, only twenty to thirty were deported each month<sup>38</sup> - is perhaps indicative of their economic utility in the eyes of both employers and government.

The economic importance of migrants will tend to increase in coming years because of a decline in the growth rate of the domestic labor force (see Table 3-3, Appendix). According to Statistics Canada, this rate will fall to 1.2% during the 1990's, the lowest level experienced in this century<sup>39</sup>. This decline will be due to an earlier retiring population, reduced overall labor participation (see Table 3-4), and a low birth rate. As a result, in order to maintain the official 1980 unemployment level of 7.5%, nearly 2.3 million new workers must enter the labor force during the next decade<sup>40</sup>. A major source for this new labor remains in the in-migrating population, particularly when the lower wage and job expectations of the latter will make them preferable to Canadian workers in the eyes of employers.

Thus, the tension underlying Canadian migration policy-making in the 1980's is that, while public opinion remains largely opposed to increased temporary labor importation<sup>41</sup>, economic requirements for more labor in the coming decade will demand such importation.

Until now, Canada's policy response to these conflicting forces has tended to be conciliatory to the major interest groups affected by migration. The control of foreign labor through temporary visas has placated both employers' periodic manpower needs and unions' opposition to imported cheap labor. Meanwhile, public hostility to temporary foreign workers has been contained through the social and economic marginalization of the latter to low-wage sectors, and the denial to them of minimum

labor legislation. This conciliation, however, is breaking down in the face of several factors:

1. Illegal migration, which is encouraging the increased employment of foreign workers in all economic sectors because of their low-wage utility.
2. Policy restrictions on unskilled immigrants, which is compelling employers to recruit foreign labor directly rather than through government programs.
3. Labor shortages caused by the aforementioned declining workforce growth rate, which are increasing the structural importance of imported labor in the economy.
4. Policy conflicts between provincial and federal levels of government, resulting from the different roles of each in immigration and the different economic priorities and labor requirements of the provinces<sup>42</sup>.

In summary, the factors in Chapter Two which were posited to determine the formulation of foreign labor policy - economic utility, political/social liability, and competing interest-group influence - have been important, and indeed, fundamental influences behind Canadian migrant worker policy. The debate over the economic utility versus social liability of employing temporary migrants was partially resolved by the policy response in 1973 of the temporary work visa system. This response was the outcome of a consensus between business, labor and political parties, and, to a lesser extent, the different levels of government, which sought to utilize migrants in a sectoral manner while avoiding large scale foreign worker importation. The breakdown of this consensus by the four factors listed above has also been caused by a uniquely Canadian influence: the federal-provincial division of power, which is rooted in the regionalized nature of Canadian society and economy.

The problem of a largely federally-created foreign labor policy in Canada is that a single policy cannot be successfully imposed on different provincial economies with varying manpower needs. As a small example, while in 1974, over 20% of temporary

migrants to Ontario were farmworkers, only .6% of visa migrants to the Maritimes were farmworkers<sup>43</sup>. Over 80% of all foreign workers entering Canada are, in fact, destined for Ontario, which is the main subject of most federal migration policy. Consequently, such a federal policy cannot hope to reflect a national political consensus or the needs of each region. Yet for a workable foreign labor policy to exist, precisely such a consensus is mandatory.

This problem has remained unresolved under both Liberal and Conservative governments, both of which have adhered to the policy and philosophy of the 1967 Immigration Act and have thereby caused foreign labor policy to evolve in response to economic conditions and political forces. The structural reasons for this policy evolution are elaborated in the following and concluding chapter.

### NOTES: CHAPTER THREE

1. F. H. Leary ed. HISTORICAL STATISTICS OF CANADA (Ottawa: Statistics Canada, 1983), second edition, p. A339 - 350, and IMMIGRATION STATISTICS (Ottawa: Dept. of Manpower and Immigration 1983) p. 67. This figure does not include the estimated 50,000 or more illegal migrants who enter Canada each year.
2. Compare Tables 1 and 2, Appendix A-5, for this relationship.
3. George Bonavia, IMMIGRATION (Ottawa: Ethnic Kaleidoscope Canada reprint, 1976), pp. 2-3.
4. Ibid., p. 3. See also the discussion in Monica Boyd, "Immigration Policies and Trends", in DEMOGRAPHY, Vol. 13 (1), (Washington, 1976), p. 87.
5. In 1983, for example, the temporary employment visa category was dominated by "developed world" migrants: 55% were issued to U.S. and British citizens, while about 12% were granted to migrants from Jamaica, India and the Philippines, the next most numerous groups. Leary, p. 68.
6. See the discussion of 1947 immigration policy in Bonavia, p. 7.
7. See the discussion of the European migrant worker in turn of the century Canada throughout Chapter One of Avery, Donald, DANGEROUS FOREIGNERS: EUROPEAN IMMIGRATION AND LABOUR RADICALISM IN CANADA, 1896 - 1932 (Toronto: McClelland and Stewart, 1979).
8. The 1914 level was three million workers. Leary, Tables D86 - 106.
9. See the discussion in Avery, pp. 27-30.
10. Bonavia, p. 6. See also THE IMMIGRATION PROGRAM (Ottawa: Dept. of Manpower and Immigration, 1974), p. 17.
11. Bonavia, p. 6, and B. Green, IMMIGRATION AND THE CANADIAN ECONOMY (Ottawa: Dept. of Manpower and Immigration, 1976), p. 23.



12. The policy priority of encouraging immigrant labor is enunciated in the Immigration Act of 1952. Bonavia, p. 8.
13. Green, p. 139.
14. Ibid., p. 143.
15. Bonavia, p. 8.
16. Green, p. 35.
17. Ibid., p. 143.
18. IMMIGRATION STATISTICS, p. 8A.
19. Green, p. 35.
20. Ibid., p. 166.
21. As part of this trend a centralized Department of Manpower and Immigration was created in 1966, and an Immigration Appeal Board in 1967. Bonavia, p. 9.
22. Green p. 169. See also Appendix, Table Two.
23. WORK WE WILL NOT DO (Ottawa: United Church of Canada, 1975), p. 2. Significantly, over one-half of all illegal migrants surveyed in 1983 had settled Canadian relatives already resident.
24. See a discussion of Canadian amnesty programs in David North, AMNESTY: CONFERRING STATUS ON ILLEGAL IMMIGRANTS (Washington: Center for Labor and Migration Studies, 1980), chapter two.
25. Bonavia, pp. 10-11.

26. For a discussion of this policy, see IMMIGRATION POLICY PERSPECTIVES, Vol. 1 (Ottawa: Dept. of Manpower and Immigration, 1974), p. 33.
27. William Marr, "Employment Visas and the Canadian Labour Force" in CANADIAN PUBLIC POLICY (Ottawa: Public Policy Institute, 1977), Table 2, p. 522.
28. See Tables 1 and 2, Appendix, for the comparative figures.
29. For example, the number of foreign domestic workers on TEV's increased by 25% between 1978 and 1982, from 12,483 to 15,514, constituting about 13% of all visa holders in 1982. See CARIBBEAN DOMESTIC WORKER IN CANADA (Ottawa: Oxfam Information, 1985), p. 3.
30. The Canadian fertility rate is projected to fall to 1.7 by 1990. See PARTICIPATION RATE AND LABOUR FORCE GROWTH IN CANADA (Ottawa: Dept. of Finance, 1980), p. 39.
31. WORK WE WILL NOT DO, p. 4.
32. Ibid., pp. 4-5.
33. THE IMMIGRATION PROGRAM, Vol. 2. (Ottawa: Dept. of Manpower and Immigration, 1974), pp. 188-89.
34. Mexico, along with the U.S.A., Belgium and France, has provided seasonal farm laborers to Canada since the 1950's. Ibid., p. 189, and HIRED FARM LABOUR IN CANADA (Ottawa: Food Prices Review Board, 1975), Table 11, p. 13.
35. IMMIGRATION PROGRAM, p. 192.
36. Ken Johnson and Miles Williams, ILLEGAL ALIENS IN THE WESTERN HEMISPHERE: POLITICAL AND ECONOMIC FACTORS (New York: Praeger, 1981), Table 3.1, pp. 78 - 83. In addition, 60% of these illegals were male, 33% were Caribbean, half were working without authorization, and none were collecting any form of social assistance.
37. OXFAM, p. 3, and Globe and Mail, April 27, 1985.

38. WORK WE WILL NOT DO, pp. 4-5.
39. See David Foot, UNEMPLOYMENT AND LABOUR FORCE GROWTH IN CANADA (Toronto: University of Toronto Press 1981), p. ii.
40. Ibid., p. 63.
41. Even during the more prosperous period of the mid-1960's, over 55% of Canadians polled were opposed to increased immigration or the use of foreign labor in Canadian jobs. See Nancy Tienhaara, CANADIAN VIEWS ON IMMIGRATION (Ottawa: Dept. of Manpower and Immigration, 1974), pp. 72-74.
42. The federal government, for example, is responsible for creating migration policy and organizing labor recruitment overseas, while provincial governments must administer this policy as well as their own labor regulations, which vary from region to region.
43. Marr, Table 2, p. 524.

## CHAPTER FOUR: CAUSES AND PROGNOSIS OF CANADIAN POLICY

Our previous discussion has established that Canadian policy governing immigrants as well as migrant workers developed in response to fluctuating labor demand and the social and political concerns expressed in the 1967 Immigration Act, which set as its policy priorities family re-unification, abolition of racial or national discrimination in migration quotas, a "humanitarian" refugee policy, and the correlating of immigration with general economic conditions<sup>1</sup>. In its essence, Canadian policy has thus tended to parallel that of the U.S.A. in its reflection of the needs of a "settler society"<sup>2</sup> which has historically absorbed migrants as citizens rather than maintain large pools of stateless foreign workers.

To recognize that this pattern is different from the European or Third World migration experience is to answer, in part, the question "why has Canadian migration policy developed as it has?", which is the concern of this concluding chapter. The policy options of nations not burdened by massive waves of unskilled foreigners are wider and more flexible than are those of states like West Germany, which has lacked both a history of mass immigration, and the tradition of political pluralism which allow a nation to absorb the culture shock of large-scale in-migration. Accordingly, this chapter will consider why this and other factors, including the policy process itself, have produced the policy approach to foreign labor witnessed in Canada. The future prospects for, and desired direction of, Canadian migrant labor policy can then be discussed more comprehensively.

Canadian immigration and foreign labor policy have evolved into their present forms - with their emphasis on settlement over temporary migration - because of three general causal factors:

1. The historical reality of Canada's development as a settler society or colonial "fragment", whose immigration policy, from its inception, has been oriented to the permanent settlement of frontier areas and the creation of stable communities.

2. The expansive nature of the resulting resource export-based economy has produced a periodically large labor demand and high levels of in-migration which nevertheless have not resulted in the presence of a large, temporary foreign workforce, a) because of the unstable nature of resource-based economic growth and the Canadian labor market, and b) because, in response to this economic uncertainty, migrants have tended to integrate themselves into Canadian society rather than pursue temporary work.
3. The political dominance of Liberalism in post-World War II Canada has maintained an integrationist and relatively open immigration policy, and has avoided large-scale guest worker programs because of the pluralistic sensitivity of federal governments to interest group and regional consensus. In addition, the relatively "political" nature of the Canadian civil service and its close relationship to this dominant liberal philosophy has caused the policy process to reflect this approach to immigration.

Accordingly, each of these factors will be examined in order to establish why present foreign labor policy in Canada has developed as a consequence of them.

## **CANADA AS A SETTLER SOCIETY**

Nations which began as frontier outposts - such as Australia, South Africa, Argentina, as well as Canada - shared political and economic developmental features which determined the nature of immigration to their lands. According to Donald Denoon<sup>3</sup>, countries like Canada were established as colonial garrisons for both political and resource-extractive purposes, beneficial to the imperial homeland. Under first the French and then the English, for example, Canada provided a strategic military base in the New World and a reliable source of raw materials like furs, lumber and minerals for European manufacturers<sup>4</sup>.

The dependent economy which emerged from this relationship was a common feature of societies whose primary function was to supply empires with resources and

provide both a captured market for imperial goods and a frontier for colonial settlement. As with Australia or South Africa, immigration to Canada was first begun for political reasons: to create a settled population loyal to the empire and capable of economically sustaining the country. Thus, settler societies like Canada were oriented to two interrelated goals: maintaining the imperial connection and export production. Immigration to these societies was designed to facilitate both of these goals<sup>5</sup>.

Lacking a developed productive capacity of its own, the settler society was wholly dependent on imperial trade, foreign capital, and immigration for its livelihood, particularly since it suffered from an intrinsic labor shortage resulting from the gap between its small population and the manpower demands of the expansive staple export industries upon which its economy rested<sup>6</sup>. Settlement migration thus constituted the lifeblood of early Canada. Settler societies, in fact, seemed to generate a constant need for in-migration because of their locally unmet labor requirements.

In terms of the Canadian experience, however, immigration had no other purpose than settlement, at least until the expansion of industrial capitalism in Canada during the 1890's. A traditionally rural and farming economy had no need for large-scale temporary labor. Such a need only emerged when the industrial expansion which accompanied the wheat boom created a labor demand which settlers could not fill by themselves. This demand produced the only large migrant workforce in Canadian history, from about 1900 to 1930. With the establishment of a fully-developed industrial sector and urbanized population after World War II, migrant labor largely disappeared from the Canadian workforce.

Nevertheless, because of a declining growth rate in the indigenous labor force that began around 1965<sup>7</sup>, foreign labor has continued to contribute significantly to the overall expansion of the Canadian workforce, out of proportion to its actual numbers<sup>8</sup>. It is important to note, however, that this foreign labor was still overwhelmingly settlement-oriented in nature, and was neither a temporary nor remittance-oriented migratory workforce. In addition, by the mid-1960's government policy had strictly limited temporary migrants in Canadian agriculture to 5% of the required seasonal

workforce, despite farmers' wishes, and encouraged all foreign workers to apply for landed citizenship status<sup>9</sup>.

In short, Canadian immigration policy and practice have consistently exhibited the features of a settler society, in that the influx of foreign labor attracted by an expansive, frontier economy has been channeled into settled rather than temporary migration. The spirit of liberalism behind Canadian immigration policy has facilitated this settlement process by allowing migrants to easily reunite with their families and apply for permanent residence while visiting Canada.

In fact, so closely does Canada adhere to Denoon's model of a settler society that the final feature of the latter - a high level of internal migration caused by both the rapid displacement of indigenous peoples and the economic and geographic mobility of a resource-oriented workforce - is also particularly apparent in Canada. Between 1966 and 1971, for example, nearly one-half of the Canadian population changed its residence at least once, and this trend continued past 1975<sup>10</sup>. And, about five million Canadians, or 25% of the 1971 population, migrated to wholly new municipalities during this period<sup>11</sup>. Nor is such a high level of internal migration a separate phenomenon from foreign in-migration, for a positive correlation exists in Canada between both population movements: since at least 1966, increases in internal migration from one region to another have been accompanied by a similar flow of foreign migrants into the region experiencing net migration increases, and vice versa<sup>12</sup>. That is, the flows of all types of migration in Canada tend to follow the same direction<sup>13</sup>.

It is thus clear that the same economic and societal forces which have compelled large-scale internal and foreign migration throughout Canada's history are continuing to operate today.

Canada's continuation as a settler society, however, is explainable more by cultural and political factors than by economic conditions. The creation of an industrialized, federalist society which ensured the cultural integrity of both English and French Canada was not compatible with the presence of large numbers of

temporary foreign workers, regardless of the latter's economic importance at the beginning of this century. Settled immigration became the means to ensure the cultural and political integration of all migrants into Confederation.

Immigration continues to be a major factor in labor force and urban growth. During the "boom era" between roughly 1951 and 1971, 1,630,000 immigrant workers arrived in Canada, about 54% of them semi- or unskilled, and accounted for nearly one-third of the total increase in the Canadian labor force during this period<sup>14</sup>. Similarly, during the 1960's, immigrants to the eight largest Canadian cities accounted for an average 36% of the metropolitan population increase<sup>15</sup>. These sizeable contributions to Canadian demographic growth will continue into the next century<sup>16</sup>.

Since Canada therefore continues to constitute a settler society according to the Denoon definition, the corresponding consistency in the settlement-orientation of Canadian immigration policy is explainable by this reality. The same policy imperative of settling all migrants, both foreign and domestic, in permanent communities, and of avoiding the presence of politically-unassimilated temporary migrant populations, continues to guide the foreign labor policy and practice of Canadian governments.

#### **CANADA AS AN INTEGRATIONIST SOCIETY AND UNSTABLE ECONOMY**

While Canada's resource-export economy has attracted such large-scale immigration over the centuries, the irregular labor demands of this economy as well as the aforementioned settlement-orientation of Canadian migration policy have been responsible for shaping foreign newcomers into citizens rather than temporary workers. Theoretically, the fluctuating labor demand in Canadian export production caused by its dependence on external demand and raw materials prices might have increased Canada's use of temporary migrant workers. The fact that this has not occurred, but on the contrary, temporary migrant employment has been strictly constrained since the 1950's by government policy and practice, indicates the importance of cultural integrationism as a guiding philosophy in federal policy<sup>17</sup>.

The cyclical nature of economic growth in Canada, however, has been a similarly



powerful disincentive for the growth of a permanent migratory workforce. Migrant employment has in fact closely paralleled economic conditions. During the first years of the twentieth century, for example, when immigration peaked, labor demand was high because of an expanding wheat economy. Between 1891 and 1911, wheat and lumber production in Canada climbed ten-fold, and the prairie population increased five-fold, about 80% of this growth resulting from direct in-migration<sup>18</sup>. Yet by the end of World War I and the wheat boom, immigration had plummeted to one-tenth of its peak level in 1913, as jobs vanished and once-temporary migrant workers settled into rural communities or became urban unemployed.

In a similar vein, a temporary labor program in Canadian agriculture during the late 1940's which required immigrant workers to sign a two year contract ended abruptly, as "many immigrants drifted to the cities before the termination of their contracts"<sup>19</sup> because of low wages and insecure winter employment. A more recent example of this tendency is the fact that immigration to Canada tripled during the economic boom from 1961 to 1967, and fell by more than one-half during the recessionary 1970's<sup>20</sup>.

These wide fluctuations in immigration and temporary migrant employment are explainable not simply by the fact that migrants follow the availability of jobs. For, in addition, the Canadian economy has never escaped from the economic cycle of rapid growth and decline produced by resource-centered production and export, and its correspondingly unpredictable labor demands tend to favour and produce equally cyclical population movements.

An example of this process has been provided by Derek Hum in his study of wheat production in Manitoba<sup>21</sup>. The rapid growth of the Manitoba wheat economy swelled the province with settler immigrants, and led to eventual economic diversification as the service and manufacturing sectors expanded to facilitate wheat export. However, the greater productivity of the staple sector gave wheat a competitive advantage over other Manitoba industries, and provincial employment continued to depend almost exclusively on wheat export. Eventually, this advantage raised the production costs in the wheat industry, and its productivity fell, a decline

facilitated by fluctuating world wheat prices. As a result, jobs vanished, former seasonal migrant harvesters flocked to Winnipeg and increased urban unemployment, and out-migration from Manitoba began, an exodus which continues to this day<sup>22</sup>. This "boom and bust" pattern has been repeated across Canada in regional staple economies based instead upon lumber, minerals, oil, or fish export.

While Canada's restrictive "boom and bust" economies do not favour large surpluses of unskilled and temporary job-seekers, the foreign-born proportion of the Canadian population has never fallen below a decade-wide average of 22%<sup>23</sup>; a fact which suggests that, rather than discouraging all in-migration, Canada's labor market instability has provoked an integrationist response on the part of most foreign migrants who do choose to enter the country. Thus, through the generous family sponsorship provisions of Canadian immigration policy, migrants are spared the immediate economic necessity of finding work, and have the opportunity to integrate themselves more into the social mainstream. This process is evident, for example, in the comparatively high income and status levels of settled immigrants and their linguistic assimilation into English Canada<sup>24</sup>. Such an integrated immigrant population allows migration flows to continue, even during economic recessions, because of the settlement rather than temporary work orientation of incoming migrants.

In summary, a cultural and policy bias against temporary foreign migration and a fluctuating and restricted labor market have selected for a settled in-migrating population<sup>25</sup>. Accordingly, Canada's immigration policy since World War II has prioritized those criteria which facilitate migrant settlement, such as family reunification. There remains to be discussed, however, the reasons for the post-war durability of this particular policy approach to migrants; a durability which arises not only from cultural and economic factors but from the political-administrative context in which migration policy is formulated.

## **POLICY UNIFORMITY AS A REFLECTION OF CANADA'S POLITICAL -ADMINISTRATIVE ENVIRONMENT**

A central factor behind the continuity of Canada's policy aversion to temporary migrant labour is the national political and administrative context in which that policy has been formulated. This context is the result of three primary influences:

1. The predominance of Liberal federal rule in Canada for much of this century, especially after World War II, which created an integrationist and relatively open philosophical and policy approach to immigration.
2. A bi-national, federalist parliamentary system which has been pluralistically sensitive to the large ethnic vote as well as Quebec's "special treatment" in matters of immigration.
3. The "politicized" nature of the Canadian civil service, and its close relationship to the governing party, which has caused a trend towards uniformity in outlook between senior bureaucrats and politicians and thereby created an immigration policy which reflects the overtly political influences of 1 and 2.

As the governing party of post-World War II Canada, the Liberal party has based its power upon three fundamental policies: a) continentalist economic integration with the U.S.A., b) federal bilingual union between French and English Canada, and c) the liberal welfare state<sup>26</sup>. The underlying philosophy which united these goals, and gave Liberal governments a stabilizing continuity, was multicultural integration-ism: economic prosperity would result from a firm partnership with the U.S.A., and would be shared equally through the welfare state, the maintenance of which was untenable without a stable federalism with Quebec.

This same philosophy, which gave the Liberals political power for most of the past fifty years, expressed itself in all policy areas, including immigration. Prime Minister MacKenzie King inaugurated a more open-door immigration policy in 1947

when he announced that his government's primary aim was to "foster the growth" of Canada by encouraging immigration<sup>27</sup>. However, with the expansion of Canadian industry and the resource boom of the 1950's and 1960's, economic necessity complemented the apparently humanitarian disposition of Liberal philosophy, and immigrant entry and residence restrictions were gradually removed from government practice.

For example, sponsored immigration was enacted in 1950, annual quotas for temporary domestic workers were introduced in 1955, and special provisions for admitting refugees without regard to race were created in 1962. These administrative changes were codified legislatively in the 1967 Immigration Act, which rested upon four principles:

1. Non-discrimination on the basis of racial or national origins.
2. A multiple point-system for admitting unsponsored immigrants, based upon education and economic skills.
3. A nominated relatives category, an expansion of sponsoring rights.
4. A broad provision for visitors to apply for landed status while in Canada<sup>28</sup>.

The stated purpose of these principles was the reunification of families, the growth of a stable and culturally-integrated population, and the harmonizing of immigration with economic prosperity<sup>29</sup>. This program has provided the reference point for all subsequent foreign labour and immigration policy, and was reiterated, for example, in Bill C-24, which created the 1976 Immigration Act<sup>30</sup>.

However, this underlying philosophical and policy approach has had to interact with, and adapt itself to, specifically Canadian political realities. The evolution of post-war immigration policy bears witness to the sensitivity of Canadian governments to the interests and attitudes of not only the electorate in general but of specific minority ethnic communities possessing sizeable votes<sup>31</sup>.

Canadian governments have avoided favouring one electoral group over another, however, but on the contrary have attempted to placate all major interest groups through what one author describes as "compromise policy-making by anticipatory reaction."<sup>32</sup> The cautious and inclusive nature of this policy process is perhaps, in general terms, the result of the tendency, expressed in Anthony Downs' hypothesis<sup>33</sup>, for political parties in power to adopt those policies most likely to maximize their vote at the next election. This rule results, however, in an ambiguity in policy development because of the government's uncertainty about what the majority of voters desire on any issue. Consequently, the very pluralism of governments causes them to construct policies "often aimed more at the good of a few voters than the good of all, or even of the majority"<sup>34</sup>. Such a practice has been exacerbated in Canada by the fact that our competitive, cabinet government system is particularly susceptible to the interests of electorally-strategic pressure groups<sup>35</sup>.

As a consequence of these factors, the Canadian policy process has been molded by two contradictory pressures: the need to placate a majority of voters, and the necessity of satisfying that minority of voters with both a special interest in an issue and the strategic power to "retaliate" at the polls<sup>36</sup>. These dual pressures have been especially apparent during the formulation of immigration policy.

Two "special interest" considerations have had a particular impact on that policy since the 1960's: the importance of the minority ethnic vote in national politics, and Quebec's concern over non-French immigration into the province.

Despite a long tradition of opposition from the majority of citizens to increased immigration - between 1965 and 1975, for example, those Canadians in favour of restricting further in-migration rose from 7% of those polled to 39%<sup>37</sup> - the Liberal government has pursued policies designed to win the support of the immigrant electorate. The political purpose of this approach was evident, for example, in Ottawa's February, 1977 decision to reduce citizenship residence requirements from five to three years, a change which allowed immigrants admitted during the immigration wave of the mid-1970's to become "grateful voters" before the looming national election<sup>38</sup>.

But perhaps more revealing of the overt electoral weight of immigrant communities in Canada are the modifications which occurred to Bill C-24, the proposed Immigration Act of 1976<sup>39</sup>, because of the receptivity of Parliament's Special Joint Committee on Immigration to immigrant opinion regarding the Bill. For example, the Committee "generally ignored" opinions in favour of restricted immigration, even though this opinion comprised 83% of all individual briefs, while the smaller number of briefs from ethnic organizations in favour of increased immigration were responded to by incorporating some of their attitudes in the Committee's recommendations<sup>40</sup>. The final Act, for example, reduced the two year designated-residence requirement of immigrants to six months, a clear example of the continued settlement orientation behind Canadian migration policy<sup>41</sup>.

The fact that, at the time of Bill C-24's enactment, the governing Liberals held only a marginal electoral lead in 36 ridings which possessed large minority ethnic populations, made it politically important for the government to pay special heed to this specific sector of voters, even if the alienation of an undetermined number of the general electorate resulted<sup>42</sup>. However, the fact that the final Act rejected open immigration by imposing an annual quota of 140,000 immigrants indicates the government's equal priority of placating that general electorate as well<sup>43</sup>.

This political juggling act suggests that, in the final analysis, ultimate migration policy in Canada must be flexible enough to be restrictive or open, in order to satisfy a broad electoral base.

The policy ambiguity which has resulted from this vote-conscious process has been reinforced by political regionalism and the division of power in Canada. The 1976 Immigration Act, for example, provided for the first time for federal-provincial consultation on quota levels for immigration<sup>44</sup>, a reform which has provided an outlet for Quebec's historical opposition to non-French immigration to its province. This opposition is rooted in the fact that about 80% of immigrants to Quebec have integrated themselves into English-speaking institutions and schools, and have thereby maintained the Anglophone proportion - some would say dominance - in Quebec society<sup>45</sup>. Thus, to Quebecois, immigration is a political tool used by the Anglophone

majority to keep the French-speaking population a minority in Canada.

In response to this fear, Ottawa has traditionally granted Quebec greater autonomy than other provinces in immigration matters, including allowing Quebec a provincial Ministry of Immigration. Yet such compromises have allayed neither cultural fears nor in-migration, as the economic disparity between Canadian regions has compelled high levels of inter-provincial migration and net immigration<sup>46</sup>.

The highly political influences which so affect Canadian immigration policy have not been countered by a politically-neutral federal civil service; on the contrary. According to Colin Campbell, "Liberal control of the government for most of this century has politicized the bureaucracy. This fact makes a sham, particularly at the highest levels, of the principle of a non-partisan public service." <sup>47</sup>.

The constitutional concept of separate political and administrative spheres is not reflected in Canadian governmental practice, where instead a common "political administration"<sup>48</sup> comprising senior politicians and bureaucrats decide policy. The reality is not so much that the bureaucracy has simply been politicized by Liberal rule as the executive and the senior bureaucracy have actually converged into a single policy-making community. Thus, within Canada's central agencies, "the distinction between bureaucratic and political participants in the policy process simply does not exist in many crucial decision-making settings, even in cabinet committees"<sup>49</sup>.

This reality of a political administration is not unique to Canada, but seems to exist in all modern states<sup>50</sup>. The longevity of Liberal rule in Canada, however, has exacerbated this process of political-bureaucratic convergence because of the opportunity for long-term contact, familiarity and eventual commonality of outlook to develop between government and administrative leaders<sup>51</sup>. A survey of senior civil servants in Ottawa by Atkinson and Coleman (1985) indicated that bureaucrats' sympathy for, and identification with, governing political figures and pluralist politics in general increased with the seniority of the civil servant and his or her proximity to central agencies<sup>52</sup>. That is, political-administrative convergence is most developed at the center of governmental power.

The main implication of such a political administration for immigration, or any public, policy in Canada is that the partisan factors which affect politicians' formulation of policy, like electoral calculation, are likely to be shared, or at least acquiesced to, by the senior civil service. The effect of this political-administrative unanimity on policy is a tendency towards policy durability, even under different governments. One of the self-acknowledged functions of the civil service, after all, is the integration of political and administrative goals in order to facilitate the operation of government<sup>53</sup>. In reality, what Canada's "political" administrators are facilitating by their identification with the party in power is a closed policy-making process by an executive branch not directly accountable to Parliament or the public, and thus only selectively responsive to the interests of immigrants or any other group<sup>54</sup>.

This reality is only reinforced by the fact that senior civil servants, who guide the overall policy process, appear to share politicians' wariness of public interest groups. In a recent survey, 50% of senior Ottawa bureaucrats agreed with the statement, "The general welfare of the country is seriously endangered by the continuing clash of particularistic interest groups"<sup>55</sup>; an opinion which was less common among junior bureaucrats further from the political administrative center. The fact that Canadian Prime Ministers traditionally depend primarily on such senior bureaucrats, like Privy Council Office administrators, for policy advice<sup>56</sup> has only increased the isolation of the policy-making process from public scrutiny and input.

At the same time, the very isolation and hierarchy of the cabinet system of policy-making in Canada, and the commonality of outlook and practice between bureaucrats and politicians, has allowed a consistency in immigration policy from one government to the next. This fact, and the concern of Conservative regimes as well over placating minority ethnic voters and Quebec's cultural concerns, suggests that immigration and foreign labor policy under the Mulroney government will vary little from the philosophical and practical trend established under the Liberals, and preserved by Ottawa's political administration.



The preceding discussion of the reasons for an immigration policy based on settlement rather than temporary migration, and for the durability of that policy, identified three general factors: historical developmental, economic, and political-administrative. Each of these causes have reinforced the settlement orientation of Canadian policy, which has in turn helped to create the multicultural social environment within which, for example, the voting impact of ethnic groups on immigration policy is possible.

In addition, this discussion has validated in general the hypotheses concerning the process of migrant policy evolution elaborated from pages 38 to 40, with this important qualification: Canada passed rapidly through each stage of migrant policy, from a "pure economics" phase early in this century to a slowdown in migrant employment before World War II, to a final abandonment of migrant labor programs during the 1950's in response to social and political considerations. Policy consensus from the 1960's to the present has centered on immigration rather than temporary foreign labor migration.

Despite all the adaptation and horse-trading which has characterized immigration policy since the 1960's, and which is itself evidence of the integrationist thrust behind that policy, Canada's approach to foreign in-migrants has remained remarkably consistent during the post-war years. Rather than copying the European model of switching from mass, temporary migration to the mass exclusion of foreigners - a process precluded not so much by Canada's "humanitarianism" as by its small labor market and settlement tradition - Canadian policy has pursued permanent immigration as its approach to foreign labor. The main changes in this policy have been quantitative rather than qualitative, such as lowering total admissible quota levels.

The political process which has guided this policy has been paradoxical: on the one hand particularly sensitive to voter opinion and ethnic interest groups, and on the other insular and hierarchical at the level of policy construction. Perhaps this seemingly schizophrenic political practice is the legacy of a traditionally executive-dominated system of government struggling to appease a culturally and geographically

broad and diverse electoral base. Pluralism is inescapable in Canada's cultural mosaic, but it is conditioned by the structures of a government run by cabinet and committee, and by the general rule that "a government's planning horizon is limited by the proximity of the next election"<sup>57</sup>.

## **CANADA'S FUTURE MIGRATION POLICY: A GLOBAL AND MORAL PERSPECTIVE**

The preceding analysis is, in one respect, misleading. In today's world, it is impossible to appreciate the root causes of labor migration, or of a particular policy response to it, by examining the conditions within a single nation. Even if one's analysis is concerned only with a particular national example of migration policy, it must eventually acknowledge that the latter is affected not simply by voting pressures and administrative structures unique to that nation but even more fundamentally by international conditions which often go unmentioned in final policy.

In addition, a purely nation-based study of, or perspective concerning, labor migration is not only of dubious scholastic value but is implicitly chauvinistic, for it reinforces the opinion that Canada is an island to which, for some reason, foreigners are flocking. Such a perspective forms the core of racist opinion. In reality, Canada is a political and economic subset of a vast and integrated world system whose inequities breed the migration of people. We can no more ignore this fact, or pretend that it is not relevant to one's particularistic study, than we can assume that the world ends at our white picket fence.

Migration has always been an escape: from war, famine, persecution or unemployment. Today, when two-thirds of humanity is impoverished and half of the world's wealth is lavished on armaments, continual mass migration is inevitable as people search for jobs and security. The reaction of the affluent one-third to this reality is both fear and opportunism: we do not want too many poor migrants in our country, just enough to provide a cheap labor force and keep our economy competitive with others. Unfortunately, as West Germany, the U.S.A., Canada and other industrialized nations have discovered, one cannot easily turn off the migratory tap once it is open. Whether a wealthy nation deports or integrates its foreign workforce is not the ultimate issue.

The dynamic behind migration to Canada, for example, remains that of a

settlement orientation. Policy and practice will probably maintain this trend in the future, even when the variables of economic conditions, interest group behaviour and changing governments are considered. At best, this policy can offer to only a select few migrants with the wealth or contacts the opportunity for a new life. Despite its legitimacy to our citizens and policy-makers, such a policy is self-serving, and far from the "humanitarian" practice of which Canadian Immigration Acts boast. Canadian foreign labor policy can only claim to be truly humanitarian if migrants are also welcomed when it is not economically or politically feasible to do so.

The fact that they are not reveals much about the self-serving nature of the immigration policy of industrialized nations like Canada. The latter's immigration policy has always been a "tap", turned on or off depending on Canada's immediate interests: open immigration when labor is in demand, an immigration ceiling when it is not. The fluctuating nature of those interests has made it expedient for Canadian governments to settle rather than deport migrants in order to maintain a reliable and culturally-integrated labor source. Yet the self-serving motive remains unchanged<sup>58</sup>.

Even a wholly selfish attitude, however, must sooner or later take note of its own consequences. Without a dramatic change in the world economic order, immigration pressure on Canada and other rich nations will increase, particularly since the example of Saudi Arabia reveals the extent to which Third World labor is becoming mobile and transnational. Without more capital and economic self-reliance, Third World countries will continue exporting their workforces abroad to earn income denied them by global imbalances. Yet about 80% of Canadian bilateral aid to such countries continues to come back to Canada, because it is tied to purchases of Canadian goods and services<sup>59</sup>. Schizophrenically, Canadians feel threatened by increased Third World immigration when their policies help perpetuate the global poverty which stimulates emigration from the underdeveloped world.

If the causes rather than the symptoms of chronic world migration are to be dealt with, future Canadian policy must pursue the redistribution of wealth and power towards the Third World in order to build up the latter's economies so that they can employ their own populations. Only then will international migration begin to be

something more than an act of economic desperation. Unless this change occurs, Canada will never be free of a growing illegal migrant workforce searching for jobs.

If labor migration reflects the economic inequality of our global society, it also provides a mirror in which we can see ourselves: our privileged condition, our xenophobia, our self-serving attitudes and policies. When we speak of illegal foreigners who "steal our jobs", we are really expressing our own indifference to the fate of those billions who must sell themselves for a few dollars.

If Canadians are to overcome this indifference, perhaps the best policy prescription is John Berger's:

"The well-fed are incapable of understanding the choices of the under-fed. The world has to be dismantled and re-assembled in order to be able to grasp, however clumsily, the experience of another"<sup>61</sup>.

#### **NOTES: CHAPTER FOUR**

1. See the policy outline in **THE IMMIGRATION ACT** (Ottawa: Dept. of Manpower and Immigration, 1967).
2. This term is defined in Donald Denoon, **SETTLER CAPITALISM** (Oxford: Clarendon, 1983), introduction.
3. See the discussion in *Ibid.*, chapter one.
4. See Cy Gonick, **INFLATION OR DEPRESSION: THE CONTINUING CRISIS OF THE CANADIAN ECONOMY** (Toronto: James Lorimer, 1975) pp. 70 - 73, for a discussion of the staples-based evolution of the Canadian economy. Staples theory is elaborated in more detail in Mary Innis, **AN ECONOMIC HISTORY OF CANADA** (Toronto: Ryerson, 1935).
5. Denoon, pp. 221-222.
6. *Ibid.*, pp. 28-29, 68.
7. See the Appendix in Chapter Three, Table Three.
8. See the data in Louis Parai, **THE ECONOMIC IMPACT OF MIGRATION** (Ottawa: Dept. of Manpower and Immigration, 1974), pp. 51, Table 5.7.
9. One of the central features of the 1967 Immigration Act was its provision for visitors to apply for landed status while in Canada. See **THE IMMIGRATION ACT**.
10. **INTERNAL MIGRATION AND IMMIGRANT SETTLEMENT** (Ottawa: Dept. of Manpower and Immigration, 1975), p. 17.
11. *Ibid.* These are low figures, which do not include children under five.
12. *Ibid.*, p. 22. See the data on Table 2, p. 23.

13. The primary direction of both types of migration are towards Ontario, B.C., and Alberta. Ibid., pp. 45-50.
14. Parai, pp. 93, 100-101.
15. See INTERNAL MIGRATION, p. 7; Table 10, and Parai, p. 70. The city whose foreign population accounted for the highest percentage of the urban growth rate was Toronto, at 76%.
16. See the discussion in Anthony Richmond et al, FACTORS IN THE ADJUSTMENT OF IMMIGRANTS AND THEIR DESCENDANTS (Ottawa: Statistics Canada, 1980), p. 306.
17. Innis, p. 248.
18. See Donald Avery, DANGEROUS FOREIGNERS: EUROPEAN IMMIGRATION AND LABOUR RADICALISM IN CANADA, 1896 - 1932 (Toronto: McLelland and Stewart, 1979), p. 16, and HISTORICAL STATISTICS OF CANADA (Ottawa: Statistics Canada, 1983), second edition, p. A339.
19. Richmond, p. 308.
20. HISTORICAL STATISTICS, p. A339.
21. Derek Hum, WINNIPEG'S CHALLENGE: ADJUSTMENT TO POST-STAPLE-LED GROWTH (Winnipeg: Institute of Urban Studies, University of Winnipeg, 1985), pp. 6-8.
22. See the discussion in Gonick, p. 94.
23. See Table 1, "Summary of Principal Components of Canada's Population, 1861 - 1981", in HISTORICAL STATISTICS.
24. This assimilation is described in Richmond, p. 473.
25. Hum, pp. 11, 15-16.

26. Gonick, Chapter Two, and the author's hypothesis.
27. See the discussion of the King policy in Howard Palmer, IMMIGRATION AND THE RISE OF MULTICULTURALISM (Toronto: Copp Clark, 1972), pp. 58-61.
28. A fifth principle, less relevant to our discussion, was the admission of refugees on a non-racial basis.
29. See the preamble discussion in THE IMMIGRATION ACT, 1967.
30. John R. Wood, "East Indians and Canada's New Immigration Policy", CANADIAN PUBLIC POLICY REPRINT (Ottawa: Canadian Public Policy, 1978), Vol IV: 4, p. 562.
31. See the discussion of minority ethnic voter impact in Wood, p. 561.
32. Ibid., p. 564.
33. Anthony Downs, AN ECONOMIC THEORY OF DEMOCRACY (New York: Harper and Row, 1957), pp. 28 - 35, quoted in Wood, p. 549.
34. Downs, p. 93.
35. See the discussion of cabinet government in J. Roland Pennock, "Agricultural Subsidies in Britain and America", in Richard Rose, ed., POLICY-MAKING IN BRITAIN (London: MacMillan, 1969), p. 217.
36. Wood, P. 549.
37. Anthony Richmond, "The Green Paper: Reflections on the Canadian Immigration and Population Study", in CANADIAN ETHNIC STUDIES, Vol VIII, No. 1, 1975, p. 11, Table 4.
38. Wood, p. 559.
39. This Act was introduced in the House of Commons in November, 1976 and given final approval on July 25, 1977. Ibid., p. 561.



40. Ibid., p. 558.
41. Manpower and Immigration report (1976), p. 11, quoted in Wood, p. 562.
42. See Ibid., p. 560, Table 5.
43. Ibid., p. 562.
44. See Bill C-24, An Act Respecting Immigration to Canada, (Second Session, 30th Parliament, Ottawa, 1976 - 77), s. 109 (1), p. 62.
45. Hubert Guindon, "The Modernization of Quebec and the Legitimacy of the Canadian State", in Daniel Glenday et al, MODERNIZATION AND THE CANADIAN STATE (Toronto: MacMillan, 1978), p. 239.
46. Carl Cuneo, "A Class Perspective on Regionalism", in Glenday, p. 134, Fig. 9:1.
47. Colin Campbell, GOVERNMENTS UNDER STRESS (Toronto: University of Toronto Press, 1983), p. 13.
48. For a discussion of the concept of the political administrator see Hugh Heclo and Aaron, THE PRIVATE GOVERNMENT OF PUBLIC MONEY: COMMUNITY AND POLICY INSIDE BRITISH POLITICS (Berkeley: University of California Press, 1974), p. 60.
49. Michael Atkinson and William Coleman, "Bureaucrats and Politicians in Canada: An Examination of the Political Administration Model", in COMPARATIVE POLITICAL STUDIES, Vol. 18, No. 1 (Beverly Hills: Sage Publications, 1985), p. 60.
50. Ibid.
51. Ibid., pp. 72, 77.
52. Ibid., p. 73, Table 3

53. Colin Campbell and George Szablowski, **THE SUPERBUREAUCRATS: STRUCTURE AND BEHAVIOUR IN CENTRAL AGENCIES** (Toronto: MacMillan, 1979), p. 4.
54. See the discussion of cabinet secrecy and the role of the civil service, in *Ibid.*, p. 235, 238-39.
55. Atkinson and Coleman, p. 73, Table 3.
56. Campbell and Szablowski, p. 232. See also Atkinson and Coleman, p. 62.
57. Richard French and Richard Van Loon, **HOW OTTAWA DECIDES** (Toronto: James Lorimer, 1984), p. 184.
58. **WORK WE WILL NOT DO** (Ottawa: United Church of Canada, 1975), pp. 1-2.
59. *Ibid.*, p. 5.
60. John Berger, **A SEVENTH MAN: A BOOK OF IMAGES AND WORDS ABOUT THE EXPERIENCE OF MIGRANT WORKERS IN EUROPE** (Middlesex: Penguin, 1975), pp. 93-94

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## TABLES FOR CHAPTER TWO

**TABLE 1: Migrant Workers in West Germany**

	Total Average (000s)	% women	% workforce
1960	279	15.5	1.3
1965	1119	23.2	5.3
1969	1366	29.8	6.5
1971	2218	28.7	9.8
1974	2331	31.1	11.2
1976	1925	31.4	9.6
1980	2018	31.0	9.6

SOURCE: Smith, Eric O., THE WEST GERMAN ECONOMY, p. 159.

**TABLE 2: Sources of Migrant Workers in West Germany**

	Jan. 1973		June 1980		
Origin	#	% total	#	% total	%change
Turkey	528,414	22.5	590,600	28.5	+12
Yugoslavia	465,611	19.8	357,400	17.3	-23
Italy	409,448	17.5	309,200	14.9	-25
Greece	268,408	11.4	133,000	6.4	-50
Spain	179,157	7.6	86,500	4.2	-52
Portugal	68,994	2.9	58,800	2.8	-15
Morocco	15,261	.7	no separate records		
Tunisia	11,124	.5	no separate records		
	1,916,417	82.9	1,535,000	74.1	
Others	400,383	17.1	536,200	25.9	
Total	2,346,800	100.0	2,071,000	100.0	

SOURCE: Smith, WEST GERMAN ECONOMY, Table 6.8, p. 160.

**TABLE 3: Minority Workforce as percentage of total labor force in selected European nations**

	1960	1970	1981
Belgium	4.8	7.1	8.7
France	-	6.3	6.4
West Germany	1.7	6.5	9.5
Britain	5.1	7.1	7.2
Netherlands	1.1	2.8	4.9
Sweden	2.9	5.2	5.4
Switzerland	21.8	25.2	22.9

SOURCE: Castles, Stephen, HERE FOR GOOD, Table 5.2, p. 128.

**TABLE 4: Foreigners' Employment by economic sector in West Germany, 1981 (second quarter, partial only)**

Sector	\$ (000s)	% total foreign employment
Agriculture	19	1
Manufacturing	1102	57
Construction	202	10
Commerce	136	7
Services	314	16
Administration	47	2

SOURCE: Castles, HERE FOR GOOD, Table 5.3, p. 130 (Bundesanstalt für Arbeit, March 1982)

**Table 5: Migrant Worker population and nationality in Saudi Arabia, 1975 and 1980 (selected)**

Nationality	1975		1980
	No.	% migrant workforce	
North Yemeni	280,400	38.9	600,000
Jordanian	125,000	17.3	100,000
Egyptian	95,000	13.1	300,000
South Yemeni	55,000	7.6	-
Sudanese	35,000	4.8	50,000
Omani	17,500	2.4	-
Syrian	15,000	2.1	40,000
Somali	5,000	.7	-
Iraqi	2,000	.3	-
	<hr/>	<hr/>	<hr/>
Arabs	649,900	90.0	
Pakistani	15,000	2.1	300,000
Indian	15,000	2.1	75,000
Other Asian	8,000	1.0	350,000
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Asians	38,000	5.2	725,000
European, USA	15,000	2.1	
African & Other	10,000	1.3	
Iranian	10,000	1.3	
Turk	500	.1	
	<hr/>	<hr/>	
	35,500	4.8	
TOTAL:	723,400	100.0	2,103,000

SOURCE: El Mallakh, Ragaei, SAUDI ARABIA: RUSH TO DEVELOPMENT, Table 14.3, p. 165.

**Table 6: Saudi Arabian Oil Revenue 1970-80, current dollars**

1970	\$ 1.2	Billion	
1973	4.3	"	
1974	22.6	"	(OPEC Price Increases)
1977	36.5	"	
1978	32.2	"	
1979	60.0	"	(Iranian Revolution, Rise in Arab Oil Production)
1980	95.0	"	

SOURCE: Quandt, William, SAUDI ARABIA IN THE 1980'S, (Washington: Brookings Institute, 1981), p. 161.

**TABLE 7: Relative Increases in Saudi and non-Saudi employees in different occupations, 1975 and 1980 (in 000s)**

Occupation	1975		1980	
	Saudi	NonSaudi	Saudi	NonSaudi
Technician	25.0	31.4	33.4	81.3
Clerical	67.5	31.4	99.6	121.8
Service	105.2	47.1	134.5	145.2
Skilled Labor	70.1	47.1	93.5	101.9
Managerial	7.4	6.3	8.7	12.4

SOURCE: El Mallakh, RUSH TO DEVELOPMENT, Table 12.7, p. 418.

### TABLES FOR CHAPTER THREE

**Table 1: Total Immigrant Arrivals to Canada**

Year	No. of Immigrants	Economic Conditions
1900	41,681	Wheat Boom
1913	400,870	Wheat Boom
1915	36,665	Depression
1923	133,729	Post-War Boom
1928	164,993	Post-War Boom
1935	11,277	Great Depression
1942	7,576	Expansion, but restricted entry
1948	125,414	Post-War Boom
1957	282,164	Post-War Boom
1961	71,689	Recession
1967	222,876	Boom
1974	218,465	Looming Recession
1976	149,429	Recession
1980	143,117	Recession
1983	89,157	Recession

SOURCE: Leary, F.H., HISTORICAL STATISTICS OF CANADA.

**TABLE 2: Temporary Employment Visas issued into Canada**

Year	No. TEV Migrants	Relation to Immigrants
1974	87,341	40% the size of Immigration population
1980	108,871	76% size of I.P.
1983	130,711	147% size of I.P.

Note: Between 1979 and 1983, the number of annual TEV migrant worker arrivals in Canada rose by 38%, while the number of immigrant arrivals decreased by exactly the same percentage.

SOURCE: IMMIGRATION STATISTICS (1983).

**TABLE 3: Average Annual Growth Rates in the domestic Canadian Labor Force and Population (%)**

	Total Population	Workforce
1956 - 1960	2.6	2.2
1961 - 1965	1.9	2.1
1966 - 1970	1.6	2.7
1971 - 1975	1.3	2.5*
1976 - 1979	1.1	2.0
1980 - 1985	1.0	1.3
Projected		
1986 - 1990	0.9	1.0
1991 - 1995	0.7	0.9
1996 - 2000	0.5	0.8

\*Note the dramatic decrease in the labor force growth rate after the mid-1970's

SOURCE: Statistics Canada, THE LABOUR FORCE, Cat. 71-001, and VITAL STATISTICS, Cat. 84-201

**TABLE 4: Average Annual percentage rates of change in Labor Participation Rates, Male and Female (Age 20 +)**

Years	Male	Female	Total
1954 - 1960	-0.1	3.1	0.3
1961 - 1965	-0.3	3.1	0.2
1966 - 1970	-0.4	2.9	0.5
1971 - 1975	-0.2	2.8	1.1
1976 - 1979	-0.2	2.6	0.9
1980 - 1985	-	2.3	1.0
Projected			
1986 - 1990	-0.2	1.6	0.6
1991 - 1995	-0.2	1.3	0.5
1996 - 2000	-0.2	1.1	0.4

SOURCE: PARTICIPATION RATE AND LABOUR FORCE GROWTH IN CANADA, (Ottawa: Department of Finance, April 1980, Table 16, p. 54.