

**THE TRUE NORTH STRONG AND UNFREE:
CAPITALIST RESTRUCTURING AND NON-IMMIGRANT
EMPLOYMENT IN CANADA, 1973-1993**

by

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The True North Strong and Unfree: Capitalist Restructuring and
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Abstract

The present study examines the relationship between international capitalist restructuring and the continued existence and actual expansion of unfree forms of labour power for the years 1973 through 1993. It is argued that while this period has been marked by heightened capital mobility, the international movement of labour has not been made redundant. Instead, the mobility of labour has gained added significance as individual nation-states compete for capital investment through attempts to weaken and cheapen the labour supply in their territories.

It is maintained that Canadian immigration policy acts, in part, as a filter between the world market for labour power, the structure of the Canadian labour market and the competitive capabilities of capital operating within the country. Foreign workers are seen as providing a solution for both capital and the state in regards to relatively high labour costs by expanding the industrial reserve army across national boundaries.

It is seen that workers who form the international migration of labour face increasing restraints upon the sale of their labour power. In Canada these restrictions are embodied within the Non-Immigrant Employment Authorization Program implemented in 1973. This program represents the creation of unfree labour by the state, since through legal restrictions foreign workers are admitted on the condition that they work for a particular employer, within a particular occupation and for a particular period of time after which they are forced to leave Canada. The existence of this program challenges conventional notions that unfree forms of labour power are simply 'relics' of a pre-capitalist past or 'anomalies' within capitalist labour markets. Instead, the creation of modern forms of unfree labour are seen as a

response by the Canadian state to become competitive within the world market for labour power.

To contextualize the use of unfree foreign labour power in Canada, other labour market tools of the state are examined. It is seen that the terms of employment and working conditions of workers forced to work in conditions of unfreedom comprises a model which capital is currently using to re-shape the Canadian labour force in an attempt to become globally competitive. Data for the study are taken from a refinement of previously published information as well as hitherto unpublished statistics on records of temporary employment authorizations. Previous studies on the world market for labour power, the uses of modern forms of unfree labour power and international as well as Canadian political economy are critically examined.

It is seen that Canadian immigration policy, through the creation of unfree labour, is aiding in the internal restructuring of Canadian society along neo-conservative lines both by providing a more subjugated foreign work force and by threatening the already weakened security of workers in the country. The Non-Immigrant Employment Authorization Program, then, is a part of Canada's 'cheap labour strategy'.

I wish to dedicate this work to
my mother, Santosh Rani Sharma,
my grandmother, Maya Devi Sharma
and to my best friend John Henry Moss...
the three people whose diverse experiences of migration
have helped to shape my own.

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1. Introduction

Since 1973, with the introduction of the Non-Immigrant Employment Authorization Program, millions of foreign contract workers have been rotated through the Canadian labour market. This program operates as a forced, labour recruitment system which imposes conditions of unfreedom upon workers as a condition of their entry to the country. Like the ebb and flow of some powerful tide, foreign workers arrive in Canada only to be forced out again after an abbreviated work experience.

Workers admitted under this program must meet the criteria established by the state for temporary entry and residence in the country. Their entrance and residence conditions are clearly stated upon the employment authorization issued to them before their arrival to Canada - the 'true north strong and free'. (CIC, 1994a). These words are a mockery to their experiences, however, since temporary visa workers are forced to work under conditions of *unfreedom* as a condition of entry to Canada. They are made to work for particular employers, within particular occupations for particular amounts of time. Changes in any one of these conditions cannot be made without prior written authorization from an immigration officer. If any of these conditions are not met, the worker is faced with deportation orders.

Despite the profound impact that the Non-Immigrant Employment Authorization Program has - not only on the lives of the workers who directly experience its coercive powers but also on the domestic labour force - it is sorely understudied within the political economy of the impact of capitalist restructuring on Canada. Yet, throughout the period of study, 1973 to 1993, immigration policy has been used as a significant labour market tool of the Canadian state. Indeed, it is a major component of the restructuring strategies of both capital and the state.

While there have been numerous studies and reports documenting the changes taking place in Canada's labour market policies, scant attention has been given to the role that immigration policy plays in this process. When consideration has been paid to this policy arena, it has normally been focused upon those immigrants admitted with permanent residency rights (or "landed" immigrants). The characteristics of this part of the population - their ethnic make-up, their position within the labour force, their earnings and the barriers many face to full participation in Canadian society are well studied. Largely absent, though, from this examination have been state policies aimed at *regulating the entry* of foreign workers into the Canadian labour market.

While studies have been done upon the conditions of employment and impact on the domestic labour market of select groups of temporary visa workers, most notably domestic workers (Silvera, 1983; 1989, Calliste, 1989; Arat-Koc, 1989; Cornish, 1992) farm workers (Wall, 1992) and doctors (Bolaria, 1992), little attention has been focused upon the impact of the Non-Immigrant Employment Authorization Program as a whole. Such an omission is conspicuous given the numbers of people entering the Canadian labour market through the program.

In 1973, there were almost 70,000 people admitted on temporary work visas. By 1993 there were well over 150,000. Even more striking is the fact that in a number of years under study there have been close to 200,000 people employed under temporary employment authorizations. These numbers become even more significant when studied in relation to the number of foreign workers admitted with permanent residency rights. In 1973, 57 percent of workers admitted to Canada had the rights associated with landed status, however, by 1993, 70 percent of workers were denied such status and were instead issued temporary work visas.

Therefore, there has been a substantial repositioning of the immigration status given to foreign workers. In most years throughout the period of study, workers

admitted as temporary workers have far outnumbered those granted permanent residency rights. It seems, therefore, that through the use of the Non-Immigrant Employment Authorization Program, the government has successfully transformed what would have been permanent settlers into migrant, unfree, contract labour (Bolaria and Li, 1988).

Surprisingly, then, only a modicum of both empirical and theoretical work has been done to explain the existence of the program, the conditions of employment imposed on those entering under its authority or its general impact upon the remainder of the work force. The absence of such work in both academic and community-based research is striking considering the amount of scholarly and other work devoted to understanding the existence and operation of similar 'guest' worker programs elsewhere (see Paine, 1974; Rist, 1978; Phizacklea, 1983;).

The Canadian state has contributed to limiting the study of the Non-Immigrant Employment Authorization Program by excluding those entering under its auspices from yearly statistics published on immigration flows for most years of the present study. People entering Canada on temporary work visas have also been generally excluded from any systematic or thorough demographic and socio-economic analysis of their impact on Canadian society (Michalowski, 1993).

The more or less invisibility of the program allows successive governments to continue admitting temporary visa workers while insulating the program from public pressure. This is indicated, in part, by the dramatic fluctuations experienced in the number of landed immigrant workers admitted to the country while the number of temporary visa workers has steadily, and sometimes dramatically, increased (see Table 4.1). It appears, therefore, that the Non-Immigrant Employment Authorization, unlike the landed component of Canada's immigration program, has not been subject to the same anti-immigrant forces which have been successful, during particular periods of

economic downturn, in limiting the number of permanent residents admitted to the country.

This scapegoating of landed immigrants for the problems faced by the domestic work force has been detrimental. In contrast to those workers who are admitted with landed status and, therefore, privy to the same work-related rights as Canadian citizens, the conditions imposed upon temporary visa workers *do* constitute a threat to the already weakened security of the Canadian work force. Indeed, it is argued throughout this study, that it is, in part, *due* to the threat that an unfree, wage work force poses upon the wages and working conditions of other workers that contributes to its continued attraction for both employers and the state.

In order to rectify the lack of examination given to this important labour market tool of the state, this study examines aspects of the Non-Immigrant Authorization Program, a number of the conditions which led to its implementation by the Canadian state and its impact upon the Canadian labour market. We will see that many individual nation states, faced with increased competition for capital investment, have, throughout the period under study, responded with a series of attempts to create a 'disciplined' work force within its territories. However, even with such attacks, economically advanced countries have not considered such attacks sufficient. Hence, the move towards imposing conditions of unfreedom upon groups of workers.

It is maintained that the imposition of conditions of unfreedom upon foreign workers has allowed the Canadian state an opportunity to both induce capital to remain within Canada and attract new investments by offering a work force whose ability to bargain for improved wage rates and working conditions is almost non-existent. A work force with such characteristics has been greatly advocated for by both international organizations, national business leaders and government officials within Canada throughout the period under study. The Non-Immigrant Employment

Authorization Program, thus, affords the state an opportunity to gain a 'comparative advantage' within the world market for labour power as competition within this market has intensified.

This program helps to ensure a 'competitive' work force both by supplying employers with a unfree labour force, subject to extra economic and legal coercion and because of this, a work force that helps to place an increased downwards pressure upon the wages and conditions of employment for the remainder of workers. Yet, many political economists have failed to fully understand the reasons behind the continued existence and actual expansion of the exploitation of unfree forms of labour power (Marx, 1977; Weber, 1927; Pentland, 1981).

The evolutionist notion that unfree labour should face eradication as capitalism develops has been challenged, however (Beiguelman, 1978; Corrigan, 1977; Brass, 1988; Cohen, 1988). Others have shown that the exploitation of unfree forms of labour power is not only a feature of the 'early stages' of capitalism or a 'feudal relic' which may be articulated with the capitalist mode of production during shortages in the supply of free wage labour but is, instead, a pervasive and integral part of capitalist expansion itself.

The Non-Immigrant Employment Authorization program highlights the role of the modern capitalist state in creating conditions of unfreedom for certain groups of workers. In this regard, Corrigan (1977:451) points to the extra-economic, social and ideological coercion imposed by the state upon unfree wage labour. In attempting to understand the precise role of the state, Brass (1988) has argued that it is the class struggle between capital and labour that sets limits upon the state's ability to impose (or re-impose) conditions of unfreedom upon some workers. It is argued that the state is able to create conditions of unfreedom more readily for foreign labour than it is for the domestic work force, particularly at a time when the working class is weakened.

However, it is further argued that conditions of unfreedom may expand to effect the domestic work force when it has been sufficiently weakened. Indeed, it is clear that since the implementation of the Non-Immigrant Employment Authorization Program in 1973, the domestic work force has undergone fundamental restructuring. Throughout the period under study, the Canadian state has within its labour market policies, placed an ever greater emphasis upon the accumulation demands of capital at the expense of real benefits to workers (McBride, 1992). The result has been an increase in competition between workers - within the confines of the nation-state, as well as expanding the reserve army of labour to encompass virtually the entire world (Cohen, 1988; Potts, 1990).

At this point, examining the stipulations placed upon the entry of foreign labour becomes crucial. In point of fact, the timing of this program gains added significance when viewed in conjunction with other attempts to weaken the domestic labour force. It is argued that foreign contract labour which is unfree assumes added significance during periods when there are attempts to re-shape the domestic work force or, in other words, when there is a 'shortage' of particular *kinds* of workers, i.e. 'cheap', politically oppressed, unorganized etcetera, especially in comparison to labour available in other parts of the world. In this case, temporary visa workers can be considered a factor that may improve the potential for a particular area to be employed or, importantly, "re-employed" by capital (Sassen, 1988; Cohen, 1988).

It is significant that in Canada it is immigrant workers (or "non-immigrant" workers in government parlance) that have been forced into conditions of unfreedom during the period under study. Indeed, the attachment of the label 'foreigner' has historically been used to deny groups of people the rights available to 'citizens' (Meyer,

1973; Carchedi, 1979; Jenkins, 1982).¹ In this regard, Sassen (1988) argues that what allows foreign workers to be used as a cheap and weakened form of labour power are not any inherent qualities shared by this work force but state regulations that *render* them socially and politically powerless. This, in turn, allows foreign workers to be used in conditions that are more favourable to capital than if members of the domestic work force were employed.

It is argued that restrictive definitions of citizenship provide the legitimacy for excluding temporary visa workers from the same rights held by other workers (Arat-Koc, 1992; Koc, 1992). Concepts of citizenship, intrinsic to our understanding of nation-state, are a part of the arsenal used by countries vying for capital investment. Discriminating against sections of the work force by deeming them 'foreign' and, as such, outside of the state, remains legitimate in the eyes of many 'citizens'. Indeed, this tool is being wielded with ever greater impact, for the international movement of unfree contract labour is said to dominate the international transfer of labour (Gardezi, 1995).

Indeed, immigration policies play a crucial role in this process, for through the perpetuation of the ideologies of colonialism and nationalism exacerbated by the practices of racism and sexism within Canada, discrimination against "foreigners," particularly people of colour from the less economically advanced countries, is legitimated (Calliste, 1989). The exclusion of temporary visa workers from a variety of social, economic and political rights held by others in Canada has resulted in the formation of a separated pool of labour within Canadian society whose social status is

¹ The notion of "foreigner" can be used, indeed has been used many times throughout history, in discriminatory fashion against a group that is within the country but is considered as "outsiders" to the 'nation'. The Romani, the Jewish and the Kurdish peoples, for example, as well as people of colour in the EACs in general, have often been denied the same rights of citizenship allowed the rest of the population. Thus, the concept of 'foreigner' is a social construction that can be used against people from either inside or outside the boundaries of nation-states.

established through state immigration policies. These policies not only reflect ideologies that help to legitimate unequal treatment but *create* the objective conditions for this discrimination to continue through the legislated denial of citizenship and political rights (Creese, 1988).

As a result, fully comprehending the processes through which unfree wage labour is created by Canada's immigration policies, how those working under unfree conditions are situated within the Canadian labour market and how their use by employers contributes to the weakening of the entire working class requires the examination and synthesis of three distinct bodies of work that are normally conceptualized as disconnected. The present study argues for connections to be made between the present characteristics of the world market for labour power, the increasing imposition of conditions of unfreedom on migrant workers around the world and the imposition of conditions of unfreedom by national governments intent on making their territories competitive within this market.

Situating the implementation of the Non-Immigrant Employment Authorization Program within both the political economy of international capitalist restructuring and the Canadian policy environment, thus, becomes necessary. As such, I will investigate the precise nature of the relationship between the global restructuring of capital, labour and the state in connection to changes made within Canada's immigration policy in the period between 1973 and 1993.

The way in which the state has mandated conditions of unfreedom for migrant workers entering Canada will be examined in relation to the requirements of capital operating within the country as well as within the context of other strategies designed to weaken labour in Canada. Finally, the association between the creation of unfree wage labour and the weakening of the remainder of the work force will be considered.

The following chapters explore these issues in depth. Chapter two argues that the issue of mobility can be said to define the period under study. It, thus, examines the relationship between increased capital mobility and the growing international movement of labour. It is maintained that as heightened capital mobility has expanded the world market for labour power to include the spatial spread of production sites, individual nation-states have increasingly used migrant workers as a means to 'resolve' problems in attracting capital investment. Thus, the international movement of capital, far from reducing the mobility of labour, has actually created the conditions for more and more people to move in search of employment.

In turn, countries intent on becoming competitive within the world market for labour power have placed increased restrictions upon the free mobility of foreign labour once inside its borders. Thus, in contrast to the classic claims made regarding the 'inevitable' disappearance of unfree forms of acquiring and exploiting labour power, chapter two argues that, instead, the imposition of conditions of unfreedom is growing as competition intensifies within the world market for labour power.

As such it will be shown that in examining the situation of migrant workers who are forced to work as unfree wage labour it is important to understand not only the international context in which these workers are situated but also the specificity of the national policy framework and the national labour market into which they are inserted. Chapter three examines the conditions existing within Canada that has led the government to introduce conditions of unfreedom upon foreign workers.

It is seen that the both the broad macro-economic policies of the Canadian state during the period under study as well as its labour market policies have increasingly been geared towards the accumulation demands of capital. Such policies are in line with recommendations made by the Organization for Economic Co-operation and Development of which Canada is a member as well as those made by

national bodies representing corporate interests. These recommendations include ways in which to secure a large, low-wage labour force in the country in order to become competitive within the world market for labour power.

As argued in chapter two, we see that along with attacks against the domestic working class, conditions of unfreedom have been imposed upon a growing number of foreign workers entering the country. Thus, the Canadian state, like an increasing number of countries around the world, has implemented a forced, unfree contract labour recruitment system in an attempt to induce capital to invest within its territories. As such, it is argued that while capital has enjoyed increased freedom through the operations of the 'free' market, a 'crisis of freedom' exists for most workers in Canada - both domestic and foreign.

Chapter four examines, in detail, the implementation of the Non-Immigrant Employment Authorization Program - the main avenue through which conditions of unfreedom have been imposed upon foreign workers in Canada. It is seen that like 'guest' worker programs elsewhere, this program is complex. It is held that the temporary work visa program holds a variety of attractions for both employers, other workers and the state.

The over-arching way in which temporary visa workers are differentiated from other workers is through the lack of real choices available to them. The program provides a forced rotational work force of unfree wage labour which has no mobility rights within the country. It is argued that the Non-Immigrant Employment Authorization Program provides employers with a work force that shares many of the same features as does labour in countries that capital currently finds "attractive." Indeed, we see that both the absolute numbers and proportion of people from the less economically advanced countries has been increasing over the period of study.

The final chapter summarizes the main findings of the study. It notes that while conditions of unfreedom have been initially imposed upon one group of foreign workers by the imposition of 'temporary' status, unfree conditions have, since the end of the study, been introduced for *all* foreign workers regardless of whether they are permanent residents or temporary visa workers. Furthermore, far from remaining isolated to 'foreigners', Canadian citizens, as of Fools Day, 1996, no longer have the right to freely choose work. Already, workfare schemes have been introduced in three provinces and are expected to spread across the country as provincial government engage in their own 'cheap labour strategies'.

It is concluded that while foreign unfree wage workers entering under the conditions of the Non-Immigrant Employment Authorization Program embody the 'disciplined' work force sought after by business leaders and the Canadian government, the ramifications of its continuance are disastrous not only for those who face its coercive powers directly but for all workers in Canada. Thus, far from disappearing, unfree conditions are being imposed upon ever greater numbers of people are workers are forced into a race for the bottom.

1.1 Scope of Analysis, Research Procedures and Methodology

The study examines how migrant workers have been effected by the restructuring of capital, labour and the state. It moves from looking at some of the global pressures upon the characteristics of a world market for labour power to an appreciation of how the Canadian state has regulated the lives and labour market position of migrant workers in the country. These decisions are then evaluated for their impact upon the work force in Canada. This method has been chosen in order to ground changes within Canadian immigration policy within the international political economy of capitalist restructuring.

It is maintained that the changes occurring within Canada cannot be understood in isolation from the continuous global restructuring of capital. The effects of greater capital mobility need to be analyzed in order to understand the relationship between Canada's immigration policies and a global capitalist system that is integrally linked through the movement of capital, goods, information and labour. Both the international movement of capital and labour allows some employers to benefit from the social creation of cheap labour, either abroad or in the home country. Understanding the movement of capital to less economically advanced countries is, therefore, critical to appreciating the creation of cheap labour supplies in Canada.

In this sense, assaults against the domestic work force in Canada are part of the same process that promotes attacks on the freedom of foreign workers. Immigration policy is understood to be one labour market tool available to the state that is useful in this course of action. The study, then, looks to the actions taken by the Canadian state within one arena of immigration policy in response to the pressures of the restructuring of capitalist social relations. It relates these policy decisions to shifts in the balance of power between capital and labour, both domestically as well as internationally.

The study is based upon quantitative data along with a critical analysis of existing reports and research. Statistics on the number of workers entering on temporary work visas, the length of time such visas are issued - either short-term (for periods of less than one year) or long-term (for periods more than one year), the source areas of these workers, the occupations in which they work and the gender of workers have been compiled from information on temporary employment authorizations issued by Manpower and Immigration Canada (MIC, 1973-1975), Employment and Immigration Canada (EIC, 1975-1993) and Citizenship and Immigration Canada (CIC, 1994 to 1995) for all those admitted under the Non-Immigrant Employment Authorization Program between 1973 and 1993. Previously

unpublished numbers cross-tabulating source country with broad occupational grouping for the years 1973 to 1993 (excluding 1980) have been provided by Albert Redden of the Electronic Information Management office of the Department of Citizenship and Immigration in Hull, Quebec.²

It needs to be clearly stated, however, that not all persons admitted to the country under this program can be considered unfree wage workers and that the Non-immigrant Employment Authorization Program should not be considered as *only* a labour recruitment program (Michalowski, 1992:4). Instead, it is heterogeneous in nature. For instance, a large number of the people admitted stay only for a very short period of time to do work that normally crosses many national borders and can not be considered to be working as unfree wage labour in the country.

These people fall under the following occupational categories: entrepreneurs; artistic, literary, performing arts and related and; sports and recreation as well as those with "not stated" occupations upon their employment authorizations. The inclusion of people admitted under these categories have often been cited as a reason to dismiss claims that the Non-immigrant Employment Authorization Program operates as a system of forced, rotational, unfree contract labour recruitment (Boyd, 1986). It is argued, though, that such complete dismissals are ungrounded, for by far the largest part of this program constitutes precisely this kind of labour recruitment system. Therefore, for the purposes of the present study, out of the total number of people annually issued temporary employment authorizations, those admitted under the above categories *have been omitted*.

Furthermore, since 1985, those applying for refugee status from within Canada have been eligible to work in the country. They too are issued temporary work visas,

² The broad occupational groupings are determined from the two-digit broad occupational coding as set out in the Canadian Classification and Dictionary of Occupations (Statistics Canada, 1987).

however, these are 'generic', in other words, these workers are free to choose who to work for and what jobs to do (in as much as free wage workers are, of course). Thus, they too have been *omitted* from the totals presented in this study. Hence, unless otherwise stated, all of the evidence presented arguing for the importance of the Non-Immigrant Employment Authorization Program reflects those workers who are admitted to Canada to work for a particular employer, within a particular occupation and for a particular amount of time.

However, there are other workers who are admitted to Canada under conditions of unfreedom but are not covered by visas issued by the Non-Immigrant Employment Authorization Program. These are foreign domestic workers who are issued temporary work visas through either the Foreign Domestic Movement Program (1981-1992) or the Live-in Caregiver Program (1992-present). For these years, people admitted under these programs will be included in the total number of people granted temporary work visas.

It is of import to note that previous methodologies used to present data on temporary visa workers have been reviewed and found to be lacking in their ability to accurately pin-point the impact of this program upon the Canadian labour market. This study, therefore, represents a refinement of previously published data and statistics as well as presenting previously unpublished data on workers entering under the Non-Immigrant Employment Authorization Program.

Unfortunately, no other researcher has differentiated between workers and non-workers admitted under this program, thus, people entering as 'entrepreneurs', 'artists' and for 'sport and recreation' purposes have been included in previous totals of unfree visa workers in the country. Most studies have also included persons seeking refugee status and working in Canada while waiting for determination of their status. While there are some people within these categories that could correctly be classified

as unfree wage workers within the Canadian labour market, i.e. sex trade workers admitted under the artist/entertainer category, there is no detailed information on the specific occupations within the broad occupational categories. Thus, all people admitted under these categories have been excluded from the total number of visa workers in order to avoid an over-estimation of the impact of this program on the country's labour market.

For these reasons, the numbers reported in this study may vary from those presented in other reports. Nonetheless, it is seen that even after excluding these broad categories of people admitted under the Non-Immigrant Employment Authorization Program, it remains a highly significant program in regards to the number of *workers* entering Canada.

To examine the connections between capital mobility and labour mobility as well as to situate workers admitted as unfree wage labour into Canada it is important to collect data on the source country of these workers. However, because almost every country in the world has some workers entering Canada within one occupation or another, the category of "source region" has been constructed by various departments charged with the responsibility over immigration. For the purposes of this study, then, those workers admitted to Canada from the broad source regions of Africa, Asia (excluding Japan), North and Central America (excluding the U.S.A.), the Caribbean, South America and Oceania have been categorized as coming from less economically advanced countries (LEACs). Those workers admitted from Europe, Australasia, the U.S.A., Israel, and Japan have been categorized as coming from economically advanced countries (EACs).

Clearly, problems arise from this simple categorization. Not all countries within the category of "Europe" can be considered as "economically advanced." For instance, many Eastern European and Southern European countries cannot be rightly classified

as such. However, for the sake of comparison, they have remained in the category of "Europe" assigned to them by various departments of immigration. This over-estimates the numbers of workers arriving from the EACs. Likewise, not all countries within the broad category of "Asia" can be classified as "less economically advanced." While Japan has been included in the EACs category, countries like South Korea or Hong Kong may be classified as 'newly industrialized countries' (NICs) at a certain period of the present study. Yet, because there is no agreement as to which year they transformed from being LEACs to NICs, they have remained within the category of Asia throughout the period of study. This may over-estimate the number of workers coming from LEACs during parts of the study.

Regardless of these flaws, the construction of these categories has been seen to be necessary in order to gain a larger understanding of the processes of migration and whether a workers' EAC or LEAC origins play a factor in the type of occupation they are contracted to work in while in Canada. It is hoped that despite the problems, we are able to gain a general understanding of the processes underway within the international movement of workers and the operation of the Non-Immigrant Employment Authorization Program from these efforts.

In order to investigate the impact of foreign workers admitted under the unfree conditions imposed by their temporary work visas on the Canadian labour market as well as to ascertain exactly how the temporary work visa program operates in the country, several broader occupational categories have also been constructed from information provided by MIC, EIC and CIC. First, the total number of "workers" entering Canada are categorized as the sum of those landed immigrants "destined" (to the labour market) status and those workers given temporary status through both the

Non-Immigrant Employment Authorization Program³, the Foreign Domestic Movement Program and the Live-in Caregiver Program.

The "destined" categorization is one given by the government. It is reached by totaling the number of landed immigrants who state that they intend to work in once in Canada. All "classes" of immigrants are included in this category, i.e. family class, refugees, entrepreneurs, investors, self-employed, retired, assisted relative and the independent class. Thus, it is a fairly accurate representation of all immigrants who intend to enter the labour Canadian force. Only the "independent" class, however, are recruited from abroad specifically for their potential labour market contribution. For the purpose of inclusion into the "worker" category, entrepreneurs and investors have been excluded from the figures, since their intention is to be employers rather than employees.

Secondly, these workers are broken down into two categories, professional and non-professional. The categorization of professional includes those workers issued a temporary work visa for the following occupations: managerial, administrative and related; natural sciences, engineering and mathematics; social sciences and related fields; religion and; teaching. The categorization of "non-professional" includes those workers issued a temporary work visa for the following occupations: medicine and health; clerical and related; sales; service; farming, horticultural and animal-husbandry; fishing, hunting, trapping and related; forestry and logging; mining and quarrying including oil and gas field; processing; food, beverage processing; machining and related; product fabricating, assembling and repairing; construction trades; transport equipment operating; material handling and related; other crafts and equipment operating and; domestic work.

³ Excluding those entering under the following categories: entrepreneurs; artistic, literary, performing arts and related; sport and recreation; refugees and; not stated as mentioned above.

Medicine and health have been included in the non-professional categorization since other researchers have shown that the overwhelming number of people entering under this category are not doctors, but medical technicians, nurses working in the proletarianized segments of the profession and other workers in the health-related occupations (Bolaria, 1992).

In order to understand the growing importance of unfree wage labour within the world market for labour power, foreign workers in the "destined" category granted permanent residency rights are compared with those entering as unfree contract labour. Of particular interest is the comparison between "independent" class immigrant workers and "non-immigrant" workers issued temporary work visas.

Furthermore, to situate unfree migrant workers within the world market for labour power, information has been gathered which cross-tabulates the source countries and areas (EACs or LEACs) of workers within the major occupation groups. Likewise, the gender of workers has been compared with these major occupational groupings. Information on the issuance of short and long-term temporary visas has been gathered to highlight the different experiences of the Non-Immigrant Employment Authorization Program for various groups of workers and their source countries and areas.

There are limitations to the study stemming from the collection methods used and lack of data collected by MIC, EIC and CIC. These have affected the empirical evidence presented in the study. Problems arise from the fact that not all data cover the entire period of study. This is true for information on the length of time temporary employment authorizations have been issued - either short-term or long-term. For the years in which information is available, data has been presented. It is hoped that by presenting data on a limited number of years within the period under study, we are

able to ascertain certain aspects of the use of the Non-Immigrant Employment Authorization Program.

Finally, in order to contextualize the implementation and use of the Non-Immigrant Employment Authorization Program, data from Statistics Canada on the unemployment rate has also been collected. Information on changes in the unemployment insurance system and the Canada Assistance Plan - which funds the provision of social assistance payments made by municipalities and provinces- has been documented. This information comes from both governmental and non-governmental sources as documented.

2. Birds of Prey and Birds Of Passage: The Movement of Capital and the Migration of Labour

2.1. Introduction

The fact that the people of the world have experienced major changes in almost every aspect of their lives throughout the period of study (1973-1993) is rarely questioned. International trade, the international mobility of capital and the growing international movement of labour has fundamentally helped to define this period of profound change. For many, the last two decades has been a time of increasing insecurity, deprivation and unemployment. More people than ever before have had to leave their communities in order to ensure survival for themselves and, often, for their families. As a result, the international migration of labour has shaped the destinies of an increasing number of individuals, families, capitalist enterprises and nations.

To characterize this period as one of crisis, then, is not without foundation. However, it is not the crisis of poverty or unemployment that has led to the contemporary restructuring of capitalism. For capitalism, crisis is not defined by human misery or inequality, rather *its* crisis is essentially one engendered by threats to the accumulation of capital. Such crises evoke new strategies designed to ensure private profits. The current crisis, then, can be seen as a turning point in which methods to ensure accumulation are re-designed.

Since 1973, many of the structural features of capitalism have been re-shaped. At the same time there has been an increasing globalization of capitalist social relations. Capitalism has expanded to include more and more of the world's peoples. The growth of the capitalist system has shaped the intrinsic features of the system by enhancing competition between capital, between nations and between workers. This has resulted in the restructuring of the economies of both the economically advanced and less economically advanced countries as well as changes in the relative strength of

labour and capital much to the benefit of the latter. This is especially marked within the international movement of labour.

Yet, many who attempt an understanding of the impact of restructuring processes on capital, on labour and on the state have focused upon the ruptures rather than the continuities that such strategies represent. These misconceptualizations have confused our understanding of the current conjuncture. This has been notably manifest in understanding the operations of the world market for labour power, particularly in discerning the role of migrant labour. This is most pronounced in the notion of a 'new international division of labour'.

Many analysts interested in discerning the changes that workers worldwide have experienced have not concentrated on labour markets *per se*, but on the heightened mobility of capital. Thus, the examination of global labour markets has focused largely on the movement of capital to less economically advanced capitalist countries to take advantage of a labour force that has been historically constructed as cheaper than that which is generally available in the economically advanced capitalist economies of countries such as Canada. While much of the focus has been on examining the emergence of a world market in production sites for both manufacturing and service sector work, it is argued that as a result of the transnational movement of capital, a world market for labour power has emerged.

In relating the impact of capital restructuring on the Canadian labour market, the spatial spread of production sites has been understood to create both havoc and insecurity in the lives of the domestic work force. This is true. However, a much ignored component of recent phases in the restructuring of capital, labour and the state has been the mobility of labour. What has been neglected is the movement of labour to Canada and the role migrant workers play in enhancing the 'attractiveness' of the country so that it may be employed or, importantly, re-employed by capital.

While the world market for labour power has been extended to include workers employed in both large scale manufacturing and service sector industries within the less economically advanced countries, the large-scale international migration of labour, contrary to many predictions, has actually increased. It is estimated that annually, there are now over 100 million people around the world on the move for economic reasons (United Nations Population Fund, 1993). This represents a doubling of international migration in less than one decade. The vast majority of migrant workers come from the less economically advanced countries. Clearly, then, the movement of capital to their countries has not eradicated the need for people to leave in search for employment. Indeed, those countries which have experienced the highest rate of direct foreign investment in the manufacturing and service sectors are among those that also sustain the highest rates of emigration (Sassen, 1988:15).

However, most studies investigating the international movement of labour have not appreciated the interconnectedness between capital and labour mobility. Instead, both processes have been constructed into two separate categories of research. Yet, it appears that as transnational capital increasingly globalizes its investments, new pressures are created for the circulation of people. As a result, it is maintained that both the mobility of capital and labour are simultaneous processes designed to ensure the profitability of capital investment.

In examining the mobility of labour we see that migration occurs not randomly but in a patterned way. The 'supply' conditions existing in countries which send significant numbers of workers as well as the 'demand' conditions within the receiving countries need to be understood both separately and in relation to one another. Locating this pattern of labour migration allows us to see it not simply as a relationship between individual nation states or the end result of individual decisions made by migrant workers, but as part of a larger structure within global capitalism.

Understanding the effects of international labour mobility on the Canadian labour market necessitates an examination of state immigration policies. Clearly, it is this area of state policy which acts as a filter for the world market for labour power. It shapes the criteria of admittance and exclusion for both 'permanent' and 'temporary' immigrants as well as the terms of employment for the latter group. This screening of the world market for labour power through Canadian immigration policy has helped to expand the industrial reserve army of labour across national boundaries. Increasingly, foreign workers have been offered as a "solution" for capital concerned with 'disciplining' its labour force and its return on investment.

However, not all foreign labour finds itself in similar circumstances. Not all immigrants to Canada face severe restrictions upon their civil and political rights or confront the imposition of unfree conditions upon the sale of their labour power. During the period of study, this has only been the case of non-settler immigrant workers entering under the stipulations of the Non-Immigrant Employment Authorization Program or through various domestic worker recruitment programs.

For the growing number of countries that impose unfree conditions upon groups of foreign workers, the continued use of unfree wage labour (particularly in economically advanced countries) has been assumed by many to be, at best, a "necessary anomaly" that would be replaced with the use of free wage labour. Workers confronted with unfree conditions of employment as a requirement for admittance are thought, by some, to simply be carrying with them the pre-capitalist mode of production (supposedly) left behind in their country of origin. However, this is not the case.

In Canada, there has not only been a continuation but an actual expansion in the use of unfree wage labour during the recent phase of capitalist restructuring. It is important to note that conditions of unfreedom have been *imposed* on workers by the

Canadian state through the Non-Immigrant Employment Authorization Program. The workers themselves have not transported unfree working conditions along with them from supposedly pre-capitalist economies as some contend. Those immigrants who enter Canada as permanent residents are able to work as free wage labour *regardless* of the countries from which they come. Thus, in examining the effects of the immigration policy on the Canadian labour market, it is vital to situate foreign workers not only within the world market but also the domestic market for labour power.

It is argued that unfree labour continues to be profitable for both employers who directly benefit from its use but also for the class of employers who benefit from the downwards pressure it plays in relation to the rights and entitlements enjoyed by the working class as a whole. Thus, it is argued that the imposition of conditions of unfreedom for foreign labour is not only a feature of pre-capitalist modes of production which may be articulated with the capitalist mode of production during particular historical periods. Instead, it is understood to be an integral part of capitalist expansion itself.

This chapter, then, highlights three distinct bodies of literature normally conceptualized as unrelated in any direct way. These are synthesized and expanded upon by including an understanding of the political economy of Canada during the period of study. The end result is an expansion of our understanding of the role that immigration policy plays in creating unfree wage labour in Canada. We examine how the mobility of capital shapes the movement of labour. We look at the processes involved in making migration a fact of life for over 100 million people worldwide. Furthermore, while understanding the conditions which bring about such large-scale migration, we also examine the role of the Canadian state in stipulating conditions upon the sale of the labour power of some groups of workers when in the country. In order to understand the creation of immigration policies designed to impose conditions

of unfreedom, we look at the conditions shaping the demand for more cheaper and politically oppressed labour power.

It is argued that Canadian immigration policy plays a pivotal role in assuring such a work force through stipulations of entry for the vast majority of foreign workers admitted to the country. Finally, we come to understand how unfree forms of acquiring labour power long thought to have disappeared (or to, at least, become insignificant) have, instead, played an important role in shaping the Canadian labour market. It appears, then, that Canadian immigration policy is a crucial link between the world market for labour power, the structure of the Canadian labour market and the competitive capabilities of capital operating within the country.

2.2 The Contemporary World Market for Labour Power: How 'New' is the New International Division of Labour?

One of the important debates currently taking place within political economy concerns the characteristics and nature of the world market for labour power and the divisions existing within it. At issue is whether an international labour market has been created by global restructuring process or whether this market has been in existence, albeit in varying forms, since the inception of the capitalist system. Those arguing that a world market for labour power has emerged out of the recent phase of capitalist restructuring are considered part of the 'new international division of labour' (NIDL) school while the latter is comprised of theorists who argue for a longer historical view regarding the existence of this market. This debate affords us insights into the formation of Canadian immigration policy and how this policy, in turn, shapes the domestic labour market.

In arguing that a 'new' international division of labour has been formed, theorists usually point to an increasingly specialized division of labour between the economically advanced countries (EACs) and the less economically advanced

countries (LEACs). It is argued that high-technology, capital-intensive production is carried out in the EACs while low-technology, labour-intensive and export-led production occurs in the LEACs due to an "abundance" of cheap and politically subjugated labour (Hancock, 1983; Piore and Sabel, 1984; Scott and Storper, 1986).⁴ It is simultaneously argued that along with geographical shifts in production sites a world market for labour power has *emerged* (Frobel *et al*, 1977; Johnston, 1986).

This 'new' world market for labour power is additional to the older (and more discussed) international markets for capital and commodities. The labour market is described as international, as well as a product of 'late' capitalism, because it is seen to be producing goods for the *world* market instead of national ones (Frobel *et al*, 1977; Urry, 1989). The emergence of a world market for labour power has been made possible, in part, by the fragmentation of the production process as a result of technological advances, particularly within the transport and communication industries, the concomitant deskilling of labour and the "virtually inexhaustible potential of available labour..." in the LEACs (Frobel *et al*, 1977).⁵ Gaining access to reserve supplies of labour in the home countries of workers is seen as one of the main goals of relocating industry *to* these countries.

Theorists within the NIDL school have amassed considerable empirical evidence to support their claim. For example, it is estimated that by the mid-1970s approximately 120 'free trade zones' were in operation throughout the world which

⁴ While the work of those I have classified into the 'new international division of labour' school touches upon a great variety of topics, their discussion (or lack thereof) on the world market for labour power is what will be concentrated upon for the purposes of the present study.

⁵ Annie Phizacklea has pointed out that often the categorization of skilled/unskilled is socially constructed and can be viewed as a manifestation of the balance of power between labour and capital as well as between labour. Thus, the attachment of the 'skilled' label is frequently not a technical classification. As a result, the attachment of the 'unskilled' or 'semi-skilled' label is often due to the weakened position of the bearers of these labels (Phizacklea, 1990:24.47).

offered highly favourable terms to capital investors (UNIDO, 1979).⁶ At this time, approximately two million workers were directly employed in these zones. Furthermore, in 1975, an additional 725,000 workers in the LEACs were employed in factories that were producing goods for the world market outside of these 'zones' (Frobel *et al*, 1977:30). In a study done a decade later it was found that this figure had more than doubled (Frobel *et al*, 1986).⁷

Most theorists working within the paradigm of the NIDL, however, concentrate mainly on these empirical studies. Since their focus is on the development of increased capital mobility, they look largely at the operations of transnational corporations, changing world trade balances and the 'withering away' of individual state power (Storper and Scott, 1986). There is little historical or theoretical examination of the formation of a world market for labour power or the impact such a market has upon the decisions of both capital and individual nation-states. Instead, this school concentrates primarily on descriptive accounts of the functioning of the world markets for capital investment in the late 20th century.

Theorists within this school, thus, forget the longer historical view of the international nature of labour markets prior to this period. They do not account for the existence or the workings of the world market for labour power prior to the recent phase of capitalist restructuring. On the contrary. They contend that it simply did not exist until sometime in the 1970s when geographical shifts in production to the LEACs began to intensify (Frobel *et al*, 1986).

⁶ 'Free-trade zones' are separate political areas within a country that are exempt from existing taxation, labour standards, customs and pollution-control laws. Workers within these zones are usually denied the right to unionize and are also exempt from any existing minimum-wage laws and health-standards. These zones are also characterized by high rates of profitability. They are typically guarded by special police and are often separated from the rest of society by concrete walls or barbed wire (Marchak, 1991:141).

⁷ In most areas, women make up to 90 to 95 percent of the work force in the export-oriented industries set up in the LEACs. See Fernandez-Kelly (1986) for a discussion of the Maquiladoras in Mexico.

The main reason for this lack of long-term historical treatment of the world market for labour power appears to lie in the fact that prior to the 1970s, these theorists do not consider the search for labour power to be an important part of the capitalist system. Instead, what is put forward is the notion that before the latest phase of capitalist restructuring, the main drive behind development (and underdevelopment) has been the exchange of commodities (Potts, 1990). They assume that only since the 1970s has the labour power of people within the LEACs become an important component in the operations of global capitalism and then only because manufacturing employment has shifted, to some extent, to these countries.

Interestingly, what is missing from their conceptualization of the world market for labour power is a discussion of *labour markets* as such. Instead, the focus remains solidly rooted in a one-sided analysis of capital mobility while the international migration of labour is often over-looked, both historically and in its contemporary manifestations (Senghaas, 1977). The use of labour power is mentioned only in regards to the goods produced for export in the LEACs or, in other words, to the transfer of objectified labour (Potts, 1990). Within the paradigm of the NIDL, the workers themselves are conceptualized as more or less immobile while it is the heightened mobility of capital that is considered to be the defining feature of the 'new' international division of labour. The "international" component of the NIDL, then, is capital mobility and not labour markets *per se*.

The fact that currently over 100 million people are on the move every year does not form an essential component of their understanding of the world market for labour power (United Nations Population Fund, 1993).⁸ This number is double that of

⁸ The divisions between movements of workers, 'refugees' and those moving for 'non-economic' reasons contribute to an under-estimation of movements for 'economic' reasons. These categories are arbitrary. For instance, it can be argued that many 'political' refugees are fleeing conditions made possible through 'economic' forces.

only the previous decade (Withers, 1994:311). Indeed, the United Nations is recorded as saying that "the scale and diversity of today's migrations are beyond any previous experience" (United Population Fund, 1993:6). However, even though there has been a continued, indeed, *heightened* mobility of labour, little time is spent in examining the reasons for this large-scale movement of workers. But, as Lydia Potts points out:

the fact that labour migration has always been a global phenomenon proves that the world market for labour power...[has] existed in an immediate and direct form for a considerable length of time before geographical shifts in production began to take place and on a much larger scale (1990:6).

From the colonization and enslavement of the peoples of the Americas, the enslavement and forced migration of millions of Africans, the transportation of yet more millions of Asian workers as 'coolie', or indentured, labour to the current system of 'voluntary' movement for both free and unfree migrant workers, it is clear that capital has always tapped into the labour power of people around the world to help fulfill its accumulation project (Potts, 1990).

Rosa Luxemburg (1951) expounds on these ideas in her theories of imperialism by dealing with the question of the production and reproduction of labour power.⁹ She offers an early discussion of the view that a world market for labour power has been in existence since the very beginnings of the capitalist system. Colonialism and imperialism (or the capitalist world's drive for expansion), Luxemburg contends, is directed as much at gaining access to labour power as it is to the acquisition of raw materials, agricultural products or finished goods (1951:360). What is of import to note in this discussion is that while the search for labour power is a requisite for capital

⁹ Indeed, it can be argued that Luxemburg's theories of imperialism are more attune to changes in the world market for labour power than Lenin's whose five basic characteristics of imperialism noticeably omit the importance of the labour power within in European colonies (See Potts. for an extended discussion of the differences between Lenin and Luxemburg. 1990:180-87).

accumulation, it is the search for a particular *type* of labour power that helps shape investment flows. For instance, Luxemburg argues that,

since capitalist production can develop fully only with complete access to all territories and climes, it can no more confine itself to the natural resources and productive forces of the temperate zone than it can manage with white labour alone... Capital needs other races [sic]¹⁰ to exploit territories where white man [sic] cannot work. *It must be able to mobilize world labour power without restriction in order to utilize all productive forces of the globe...* (1951:362, emphasis added).

The expropriation of surplus value from workers around the world, either in their home territories or abroad, has, thus, been a *fundamental* component of capital accumulation since its beginnings. This point is the foundation of the school of thought which looks at the *historical* development of such a market. Thus, it is argued that the world market for labour power is a pre-condition for and (for capitalists) equivalent to the world market for goods. It is posited that while there have indeed,

...been important changes in the international division of labour since the 1970s which have affected workers in both the developing and industrialized nations, geographical shifts in production and the establishment of free [trade] zones in the developing nations do not themselves cause the *emergence* of a world market for labour power (Potts, 1990:6, emphasis in original).

Instead, factors, such as the fragmentation of the productive process, the development of transport and communication technology and the existence of a large pool of labour power in the LEACs only *extend* the world market for labour power in that they allow industrial production to take place in these countries themselves (Meillassoux, 1976).

¹⁰ The term "race" is not an acceptable analytical term as it reifies the unscientific and racist notion that there are indeed separate and discrete 'races' of humanity. The term ignores the historical process of racialization which shapes the realities of groups of people based upon their skin colour, their nationality, their ethnicity, and ultimately, their incorporation into capitalist social relations. Instead, it focuses on the physical characteristics of people as somehow accounting for their differential treatment.

Those working within this school contend that while the world market for labour power currently deals in the transfer of *indirect* (objectified or 'dead') labour power in the form of commodities, this has not eradicated the existence of a market that also deals in direct transfers of 'living' labour power, i.e. labour migrations (Potts, 1990:159).

Theorists within the NIDL school, therefore, confuse the emergence of a world market for production sites with the emergence of a world market for labour power. For them, the term 'world market for labour power' is seen to be applicable only in relation to geographical shifts in the production of commodities. Consequently, the very notion of a *new* international division of labour is somewhat misleading for what is being argued is not that there is a new international division of labour that is radically different from an *older* one but that labour markets have only recently become international (Sunkel, 1972).

The NIDL school's attention on the heightened mobility of capital is also limited, for it is seen only in terms of capital migration *to* the LEACs. NIDL theorists do not examine the possibilities of capital flows into the EACs since this would undermine their dichotomous notions of where certain types of work - high-tech; low-tech; capital intensive; labour intensive, etcetera - get done. The fact that the EACs can become competitive with the LEACs for capital investment - and not just in high-tech, capital intensive areas is noticeably absent from their analysis.¹¹

This is particularly striking given that the international movement of labour can play a significant role in making countries from which capital moved away from once again 'attractive' for investment by increasing the competitiveness of their labour markets. In this regard, Potts points out that, "it is more illuminating to compare the

¹¹ Rarely discussed is the fact that in the LEACs, high-technology, capital intensive work occurs while in the EACs, low-wage, low-technology and highly labour intensive work is also required (Hettne, 1990:114).

number of workers migrating from countries that have not been permitted to develop with the size of the 'modern proletariat' within these countries. *Labour migration* from developing nations now equals total employment in these countries processing industries" (1990:160, emphasis added). Indeed, Potts contends that "since the end of WW II labour migration has been the leading phenomenon within the world market for labour power..." (1990:203, see also Gardezi, 1995).¹²

2.3 As Capital Flows Out Labour Flows In (and vice versa)

Many who examine the international migration of labour disagree, however, on the form such a movement of people takes or the factors which precipitate large-scale movements of workers. Neo-classical assumptions regard the migration of workers as voluntary and motivated purely by individuals acting in their own self interest. Such notions continue to be postulated, often by those within business or government (Withers, 1994). However, a small, but growing, body of literature insists upon examining the current migration of labour as an inseparable component of far-reaching economic and social transformations taking place throughout the world.

Within the development literature, the classic factors leading to emigration are economic stagnation, poverty and population growth in the source countries (Hutt, 1970, Beckford, 1972; Standing, 1975; Bohning, 1976; Davis, 1982). This literature concentrates wholly on the so-called 'supply' conditions in the countries from which migrants come and ignores the 'demand' conditions which exist in the countries to which workers migrate. According to these assumptions, countries which are the recipients of massive amounts of direct foreign investment, particularly in the labour-intensive production-for-export sector, should not experience a large out migration of workers. In this vein, countries experiencing high growth rates (in output,

¹² See Snow (1983) for a discussion of the importance of workers from the LEACs in blue-collar industries in the U.S. See Hancock for a discussion of the importance of migrant women workers for production plants in the U.S. working on electronic components (1983).

employment, labour productivity, value added, manufacturing production, GDP etc.) should also have low rates of emigration since migrations of people would tend to flow towards areas of economic growth and not to those areas experiencing economic decline (Sassen, 1983:185).¹³

This literature does not account for the fact, however, that not all poverty-stricken countries send a large number of emigrants. Also, not all countries that experience "high" population growth have significant rates of emigration. Furthermore, not all countries that have relatively low productivity rates face large-scale out-migration. Thus, poverty, high population growth rates and low productivity rates are not, *in themselves*, sufficient explanatory variables to understand the international migration of labour.

In fact, many immigrants to the EACs come from precisely those countries which are currently experiencing some of the world's *highest* growth rates of GDP (Sassen, 1988).¹⁴ These countries, usually send more migrant workers than those LEACs with much lower growth rates. Indeed, many of the top ten source countries of immigrants to many of the EACs have growth rates of GDPs which are *higher* than the countries to which they migrate (Sassen, 1988:94). Furthermore, with regard to the productivity of labour, many sending countries are normally on par with the receiving countries (Fernandez-Kelly, 1983).

The international migration of labour, thus, appears to take on a *particular* formation. Saskia Sassen, in pointing to the nature of current migrations of labour, argues that "migrations do not just happen. They are produced. And migrations do not

¹³ This notion also precludes the possibility that countries can experience both high rates of emigration and immigration. Indeed, this is an important phenomenon to be studied in the context of global restructuring trends, however, I do not have the sufficient space to devote to the topic given the scope of the current study.

¹⁴ In 1994, the estimated growth of GDP in Canada was 3.5 percent. In Malaysia it was 8.1 percent and in China it was 9.7 percent. Both of these latter countries are major labour exporters. See Chapter Four for further discussion on this issue (Ethical Funds Incorporated, 1995).

involve just any possible combination of countries. They are patterned... and they are embedded in specific historical phases" (1993:3). She offers us insights into both the international factors which shape labour migration flows as well as focusing on the conditions which exist in those EACs that admit a high number of foreign workers. These conditions help to determine the number of migrants admitted and fundamentally shape the nature and scope of national immigration policies.

It is argued that the international movement of capital and labour have been falsely constructed into unrelated categories (Sassen, 1988; 1993). Saskia Sassen contends that the movement of capital to the LEACs is inseparably related to the movement of workers from these countries to the EACs.¹⁵ For instance, direct foreign investment (largely from the EACs) in both the export manufacturing and export agriculture sectors has mobilized new segments of the population within the country as well as across national borders. Figures show that EACs have significantly increased such investment since the late 1960s (Sassen, 1988:101). While most of this capital has been directed at other "developed" countries, an increasing amount is being invested in the LEACs (Gordon, 1988). Total direct foreign investment from the major EACs in the "developing" countries has increased one-thousand percent from 1950 to 1980 (Sassen, 1988:119). In 1976 alone, over \$76 billion (US) was invested in various LEACs (Sassen, 1988:100).

This investment, largely to export-oriented industries (manufacturing, agricultural or service) has not stopped the out-migration of workers from these countries, however. Instead, it has shaped a *particular* international flow of workers. It appears that as capital is increasingly internationalized, we see the emergence not

¹⁵ The movement of workers from the LEACs to the EACs is not, of course, the only movement of workers within the international migration of labour. The export of capital from the EACs to the LEACs has led to international labour flows within the latter countries as well (see Berlin, 1983; Hu, 1983; Ong, 1983; Alonso, 1983). See Chapter Four for a more detailed discussion.

only of a "...transnational space for the circulation of goods, capital, and culture..." but the creation of conditions for the "circulation of people" (Sassen, 1993:20).

Both export-oriented manufacturing and agriculture have mobilized large numbers of people into waged labour. However, instead of helping to relieve the problem of high unemployment amongst males who had migrated to the cities as export-agriculture developed, export manufacturing has drawn from new segments of the work force - particularly young women (Fernandez-Kelly, 1983). The use of women workers has disrupted existing rural work structures since households and communities are left without a key labour factor. This has led to the further disintegration of the viability of rural economies and to continued migration from rural areas by both men and women.¹⁶

Furthermore, June Nash has found that "...transnationals overseas often employ capital intensive technology that reduces the employment potential of capital investment in countries with high unemployment" (1983:12). Further compounding the problem is the fact that these transnational corporations tend to absorb much of the local capital and, as such, force local businesses out of the market, thus, eliminating another potential source of employment. All of these factors have produced a large pool of potential migrant workers - both male and female.

At this point, a strong foreign presence in the form of investment gains added significance. Indeed, it is not unusual to find immigration offices from the major receiving countries located in those countries experiencing a large amount of foreign investment (National Film Board, 1989). This foreign presence, Sassen argues, "...facilitates the emergence of emigration as an option. This would be far less likely in an "isolated" country" (1988:118). A particular foreign presence can help to explain

¹⁶ However, export manufacturing continuously releases these women once they pass a certain age. The average number of years that women work in the "free exporting zones" is five years. Employers prefer to hire women between sixteen and twenty-five (Sassen, 1988:116).

the linkages that are formed in migration between sending and receiving countries. The existence of these links has led Sassen to the conclusion that "there are...few if any innocent bystanders among countries receiving large labor migrations. Receiving countries have typically been participants in the processes leading to the formation of international migration" (1993:4).¹⁷

As well, the international migration of labour plays a major role in the movement of *capital* to the EACs. Indeed, it is a dialectic process. Economic decline in the EACs,

increases the power of capital over the resources contained in a place: a weakened working class, a weakened city government, an overall willingness to compromise in order to draw capital investment. Under these conditions capital investment may again become profitable. And the availability of immigrant labour assumes added significance: it is not simply labor being employed, but also a factor that may enhance...[the] potential for [an area] being "re employed" by capital (Sassen, 1983:187).

Importantly, Sassen contends that migrants are not only being recruited for the declining sectors seeking 'cheap' labour for their survival but also for the expanding sectors of the economy. She argues that,

the job supply is shaped by several key trends, notably (a) the growth of the advanced service sector, including the financial system and (b) the shrinking of traditional manufacturing industries and their replacement with a downgraded manufacturing sector and high technology industries, in both of which sweatshops are mushrooming (1988:22).

Immigrant workers can be seen as a key labour supply for employers intent on lowering their costs of production.

¹⁷ These links are particularly apparent within the process of colonization and imperialism. Previous Imperial powers maintain direct labour market links with the countries they colonized. For example, in England many immigrant workers are from the former colonies within South Asia. In France many immigrant workers are from the former colony of Algeria etcetera (see Phizacklea, 1983).

Thus, nation-states and their immigration polices act not as a barrier to the operations of the world market for labour power but as a filter which reproduces the international division of labour within their national territories.¹⁸ Hassan N. Gardezi has argued that "by reaching out to utilize a wider pool of repressed...labour, they [capitalists] split the labour force into an increasing number of non-competing groups and exploit non-market factors such as age, sex, race, ethnicity, class and immigration status to set wage rates..." (1995:23). Gardezi offers evidence which shows that "concentrations of immigrants in certain industries occurs along the lines of nationality, race, gender and citizenship status" (1995:34).

As such, immigration policy, within the world market for capital and labour, can be seen as geared towards the provision of labour in the EACs for a) service jobs which are low-paid and include those in both the growing, export-oriented and highly specialized service sector as well as personal service work that caters to the high-income lifestyles of those professionals working in this sector and b) jobs within the manufacturing sector which have faced successive downgrading, including the so-called "sunset" industries which historically employ immigrant labour in order to become competitive *and* the steadily growing electronics sectors. (Snow, 1983; Silvera, 1983; Cohen, 1987; Cohen, 1989).

Understanding that ~~foreign labour~~ is used not only in declining sectors of the economy but in those areas experiencing growth within the EACs, allows us to understand, in part, the continued, indeed, increased use of immigrant labour in these countries. Sassen points to the expansion of the specialized service industries. She writes,

¹⁸ Unlike those who argue the nation-state is doomed under global capitalism. Sassen contends that a multitude of nation-states exist in order to ensure that "no single political regime can gain full control over the world economy" (1988:36). This allows capitalists a structural freedom to maneuver their operations.

Decentralization and the technical transformation of work have contributed to the development of a new core economic base in highly industrialized countries. This new core consists of highly specialized services, the corporate headquarters complex, and high technology industries, and it promptly evokes images of high-level, specialized jobs (1988:126).

However, to avoid the simplistic dichotomy outlined by some in the 'new' international division of labour school that high-technology, capital intensive employment is the form employment increasingly takes in the EACs, it is important to point out that there has also been a large expansion in the supply of low-wage jobs and non-standard employment such as sweatshops and industrial or service sector homework. After all, many of the goods and services that corporations and those who make high-incomes want requires labour-intensive work.

In this context, labour that is low-wage gains added significance. It is at this juncture that we are better able to comprehend changes within immigration policies of the EACs since the beginning of the current crisis in capitalism (Potts, 1990). It is held that foreign labour "...offers a solution to the cheap-labor question in strategic locations of the economy at a time when important processes of economic restructuring and reorganization are taking place" (Sassen, 1988:128). Key growth sectors of the EAC economies are also those which have experienced an expansion in the supply of low-wage jobs. This is one of the "key factors in the continuation at ever higher levels of the current immigration" (Sassen, 1988:146). Additionally, "it reinforces the emigration impact of economic restructuring occurring in sending countries" (Sassen, 1988:146).

In a world where capital has become ever more mobile, capital operating in the EACs faces competition with that operating in countries where workers encounter much lower average wage rates as well as more repressive political and legal environments (Susman and Schutz, 1983; Enloe, 1983:412). The EACs have not yet

been able to match this type of working environment for large parts of their domestic work forces. Despite high rates of unemployment and decreasing social welfare entitlements, employers have not been able to sufficiently 'discipline' a large number of their work forces to the extent that they are truly competitive with workers in the LEACs. The EACs, then, currently face a shortage of the *type* of work force that capital currently finds 'attractive' to employ.

Conventional notions of "labour shortages" are, therefore, challenged by pointing out that "any situation in which the *characteristics* of the labor supply threaten existing or foreseeable levels of accumulation can be defined as one of labor scarcity" (Sassen, 1988:27, emphasis added. Also see Portes, 1978:471-482; Sassen, 1978:516-518). 'Shortages', then, are often *qualitatively* rather than quantitatively defined. This shortage of 'disciplined' workers during periods of high unemployment again underlines the importance of appreciating the role that changes in the criteria for admission and exclusion within the immigration policies of the EACs play in the restructuring of their labour markets.¹⁹

It is in this context that major changes within Canadian immigration policy can be understood.²⁰ Such changes can be considered as part of the restructuring strategies of capital operating in Canada - with much assistance from the state.

¹⁹ In this regard, a number of developments coalesced in the early 1960s which limited the supply of low-wage workers in the EACs: a) an end to the large domestic rural-to-urban migrations which had provided the greatest proportion of 'cheap' labour in the 1940s and 1950s; b) the heightened politicization which occurred during the 1960s and 1970s of some workers historically paid low wages, such as Aboriginal peoples, people of colour, women and youth and; c) the increased provision of a social wage which strengthened the bargaining abilities of labour (Sassen, 1988:55). This reduction in the domestic supply of low-wage workers, however, occurred in the context of the restructuring of the national economies of the EACs - a fundamental component of which was the expansion of low-wage jobs. At this juncture, immigration policy played a significant role in importing a particular kind of work force, i.e. from those countries whose workers historically comprised the ranks of 'cheap' labour. Sassen argues, however, that this decline in "traditional" sources of 'cheap' labour was significantly offset by the entry into the paid work force of the "baby boom" generation and adult white women in the 1960s and 1970s (1988:59).

²⁰ In Canada, the introduction of the 'points system' in 1967 eliminated racist barriers to immigration from the LEACs. Also, in 1973 the Canadian government introduced the Non-Immigrant

Sassen argues that the import of foreign workers,

...increase[s] the level of profits of certain firms and, more generally, of capital as a whole by lowering the cost of labor and the cost of reproduction of the labor force; and...operate[s] as an anti cyclical mechanism by facilitating the export of unemployment through repatriation of immigrants or lack of unemployment compensation; this anti cyclical effect is also furthered by the downward pressure on fluctuations in the demand for goods and services by that share of the labor force represented by immigrants due to the low dependency ratios and minimal consumption levels typical among immigrants (1988:31).

Thus, it is argued that immigrant labour is quite distinct from domestic labour.

Immigrant workers play a distinct role in the labour process through the institutional differentiation of the processes of labour force reproduction and maintenance (e.g. through savings from the cost of reproduction in the country of origin) and a particular form of powerlessness, associated with formal or attributed 'foreign' status, that meets the requirements of types of work organization based on direct rather than structural control over the work force. Importantly, it is noted that what weakens the working class in the EACs is not the existence of immigration but "when the state renders foreigners socially and politically powerless" (Sassen, 1988:37; Also see Sassen, 1983:184).

Unfortunately, even those scholars who understand the importance of the foreign work force in the restructuring attempts of the EACs, often avoid discussing the different categories of immigrants within any given national immigration policy framework. As well as ensuring that a qualitative difference exists between the rights associated with citizens and non-citizens, the immigration policies of all EACs ensures the differentiation between immigrants (Petras, 1980). The greatest differentiation, in relation to rights and entitlements, is that between those deemed to be 'temporary'

Employment Authorization Program which admitted foreign workers under temporary work visas to work under conditions of unfreedom. See Chapter 3 for a further discussion of these changes.

versus those who are 'permanent' (Arat-Koc, 1992). Increasingly, those EACs that are major receiving countries of immigrants are limiting the number who are granted permanent residence status and rely, instead, on a forced, rotational, migrant contract work force.

2.4 Unfree Wage Labour: Remnant of a Pre-Capitalist Past or Restructuring Tool of Capitalism?

In many countries around the world, control over a growing number (and proportion) of foreign workers is immediate, direct and personal. This is true for those who enter under the restrictive conditions imposed upon unfree labour. Unfree labour, in any form, has historically constituted a threat to the entire labour force since it exerts a downward pressure on the wages and rights of 'free' workers. Yet, many within the political economy tradition have failed to fully understand the reasons behind the continued existence and actual expansion of unfree forms of labour power. Instead, many of the classic works in this area have consistently asserted that unfree forms of labour should disappear as capitalism develops and expands.

Both Karl Marx (1977) and Max Weber (1927:277) view unfree labour as relatively uneconomical and inefficient.²¹ It is assumed that as capitalist social relations are established and continue to expand, unfree forms of labour power will be successively replaced by free wage labour. Marx (1977) contends that free wage labour rests upon the commodification of a worker's labour power. Free wage labour, for him, is grounded in the right, as well as the necessity, of workers to sell their labour power *as a commodity*, which they own, in exchange for a wage.

Indeed, Marx views the development of free wage labour as a defining feature of capitalist social relations. He maintains that the transformation of money into capital

²¹ As Weber did not elaborate on the conditions differentiating "free" wage labour from unfree forms of labour. I will concentrate on the work of Marx in this respect.

rests upon the existence of free wage labour since capitalists require labour that can be variously drawn in and out of production as economic cycles demand instead of being tied to an employer. In short, Marx feels that capital

...arises only when the owner of the means of production and subsistence finds the free worker available, on the market, as the seller of his [sic] own labour-power. And this one historical pre-condition comprises a world's history. Capital, therefore, announces from the outset a new epoch in the process of social production (1977:274).

As capitalism develops, therefore, unfree labour, conceptualized as a part of fixed capital, is to be replaced by free wage labour, which makes up variable capital, thus, allowing employers greater flexibility.

He further states that for the process of capital accumulation to occur,

..."the owner of money must find the free worker available on the commodity-market; and this worker must be free in the double sense that as a free individual he [sic] can dispose of his labour-power as his own commodity, and that, on the other hand, he has no other commodity for sale, i.e. he is rid of them, he is free of all the objects needed for the realization of his labour-power" (1977:272).

As free wage workers are responsible for their own reproduction, it is assumed that this form of acquiring labour power will become the norm, because it frees the capitalist from any responsibility for the maintenance of the work force.

To this effect, Marx states that

... [the] purchase and sale of labour power implies that the objective conditions of labour -i.e. the *means of subsistence* and the *means of production* - are separated from the living labour-power itself, so that the latter becomes the sole property at the disposal of the worker and the sole commodity which he [sic] has to sell.... This separation and independence is the premise on the basis of which the sale and purchase of labour-power can proceed and living labour can be absorbed into dead labour as a means of maintaining and increasing it, i.e. of enabling it to valorize itself (1977:1017, emphasis in original).

In other words, free wage labour rests on the ability of a worker to "...decide whether, and to whom his or her labour power will be sold" (Miles, 1987:25).²² This form of acquiring labour power also serves an ideological purpose which benefits capital for it serves to obfuscate the source of exploitation of workers.

It is clear that for Marx, unfree labour is unwaged as well. Marx does not clearly develop an understanding of *different* forms of unfree labour, particularly unfree wage labour, such as those of indentured workers (1977:723-4). Thus, while understanding the importance of unfree labour to the primitive accumulation project of capital, Marx fails to see its usefulness in later stages of capitalist development. This idea finds expression in concrete historical terms in *Capital*, volume one,

the discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the indigenous population of that continent, the beginnings of the conquest and plunder of India, and the conversion of Africa into a preserve for the commercial hunting of blackskins [sic], are all things which characterize the dawn of the era of capitalist production (1977:915).

After the 'dawn of capitalist production', unfree labour supposedly loses its usefulness and is replaced by free wage labour.

Successive studies of unfree labour have continued to view the expansion of free wage labour as a process accompanying the development of capitalism. Perry Anderson feels that while unfree labour was indispensable in the 'early modern epoch', it cannot be considered as a part of the capitalist mode of production. He maintains that,

all modes of production in class societies *prior* to capitalism extract surplus labour from the immediate producers by means of extra-economic coercion. Capitalism is the first mode of production in history in which the means whereby the surplus is pumped out of the direct

²² As indicated by the previous quotations from his work, Marx well understood that the "freedom" of labour under capitalism was a perverse one in that workers were *compelled* to sell their labour power because the means of production was under the ownership and control of capitalists.

producer is 'purely' economic in form - the wage contract: the equal exchange between free agents which reproduces, hourly and daily, inequality and oppression (1975:403).

Along the same lines, Beiguelman has shown that others have normally regarded the abolition of slavery in the U.S. as,

a progressive purification of capitalism. Since capitalism is a system based on free [wage] labour, slavery is sometimes considered to be a graft that commercial capitalism could originally tolerate, but which had to be eliminated at a more advanced state (as cited in Cornish, 1992:42).

Again, the notion of "purifying" capitalism by introducing free wage labour implies that capitalism is defined by this form of labour power.²³

In Canada, H.C. Pentland has taken this view towards unfree labour. He sees it as relatively uneconomical and inefficient in the modern project of capital accumulation. He argues it has only been used when free wage labour has been unavailable, i.e. when there are quantitative shortages in the labour supply. Thus, for Pentland,

...unfree labour emerged as a form of labour recruitment and control in a context of labour scarcity. Because market mechanisms could not produce and distribute adequate supplies of labour, when required and at a cost which employers were willing and able to pay, forms of extra-economic coercion were necessary to recruit and retain a labor force (Satzewich, 1989:90).²⁴

The notion that unfree labour would be eradicated with the further development of capitalism is challenged by both Paula Beiguelman (1978) and Robert

²³ It can be said that this notion complements the linear theory of development crystallized in the theory of "modernization." i.e. that certain types of social formations (pre-modern, underdeveloped etc.) *evolve* (i.e. become "modern") through the introduction of "modern" institutions, such as free labour markets or liberal democratic forms of government etcetera, and eventually replace "backwards" social formations, such as feudalism (see Lerner, 1958; Berger, 1962, both early proponents of modernization theory).

²⁴ Interestingly, it is clear that what Pentland is describing are not purely quantitative shortages but rather qualitative shortages. He fails to develop these ideas, however, and contends that unfree labour is only useful when there is an actual shortage of available workers.

Miles (1987).²⁵ Beigelman moves away from the dichotomous view that slavery and capitalism are anti-thetical by pointing out that:

...empirically and historically colonial slavery must be considered a constituent part of [capitalism]... it follows that a process of progressive purification is not what happens since slavery does not represent a non-capitalist component... but, on the contrary, constitutes a *capitalist creation*. Nor is it possible to speak, in this case, of the extension of the system to the periphery of the capitalist world, since slavery turns out to be the form in which capitalism is *realized* in the colonial economy... (as cited in Cornish, 1992:43-44, emphasis added).

Miles (1987), in his study of post-war Western Europe, finds that differing forms of unfree labour are in existence. He argues that it is unfree *wage* labour that is highly significant for modern capitalism. He maintains that:

...the historical reproduction of the capitalist mode of production is not synonymous with the progressive elimination of *all* forms of unfree labour in favour of free labour. Rather...there are circumstances in which forms of unfree labour are reintroduced and reproduced to ensure the reproduction of the capitalist mode of production (Miles, 1987:166-167, emphasis added).

For Miles, what distinguishes slave labour from modern forms of migrant contract labour is the partial commodification of the labour power of the latter. By this, he means that while migrant contract workers receive a wage, they do not have *mobility rights* within the labour market. Thus, Miles argues that "the essential criterion for the category of unfree wage labour is found in the existence of politico-legal restrictions on the operation of the labour market" (1987:32). These restrictions are put into place by the state and regulated by it.

²⁵ Likewise, in light of the continued presence, and indeed the growth, of the informal sector, many scholars have also challenged the view that *this* sector, too, would disappear as capitalism "evolved." However, Alejandro Portes has argued that the informal sector "now constitutes disguised waged labor that capitalists are employing so as to compete in the global economy, to circumvent labor legislation, and to control unionization" (1983:161).

Like Pentland, however, Miles' theory for the existence of unfree wage labour in the EACs is a dualist one. He too argues that the creation of unfree wage labour within the EACs occurs because of an actual shortage of free wage workers. Furthermore, Miles continues to view modern forms of unfree wage labour as a pre-capitalist form of acquiring labour power, since he does not regard it as fully commodified (1987:32). He argues that unfree wage labour exists *alongside* free wage labour. For him, the creation and existence of this form of acquiring labour power is, at best, an "articulation" of capitalism with pre-capitalist social formations.²⁶ Hence, the recruitment of labour to Western Europe from the supposedly "pre-capitalist" societies of Africa and the Middle East (1987:213). In Miles' view:

the precondition for labour migration was a shortage of labour within the capitalist economies of Western Europe which could only be "solved" by recruitment within the various social formations by increasing wages to attract workers from other economic sectors. Such a solution would have obstructed the capital accumulation process, and so another source of labour power from outside these social formations was sought (1987:167).

As such, even though Miles recognizes the existence of unfree wage labour in Western Europe and even acknowledges its importance to the accumulation project of capital, he continues to view it as a "necessary anomaly" - a pre-capitalist form of labour power that is 'articulated' with free wage labour within the capitalist mode of production. He argues that because unfree wage labour is not fully commodified, it cannot be a part of capitalism itself. However, while Miles understands that it is the state-imposed restrictions on mobility that constitutes the unfreedom of unfree wage workers, he fails to see that this labour power is bought and sold as a commodity.

²⁶ Miles' notion that unfree wage labour is from pre-capitalist social formations hinges upon his assumption that unfree wage workers in Western Europe are a part of the displaced peasantry in their home countries. This has been shown to be false. Suzanne Paine (1974) has shown that workers from Turkey who are forced to work as unfree wage workers in Western Europe come not from the peasantry but largely from the proletariat of their country.

In this regard, Miles follows upon the work of Luxemburg, for, ultimately, her theory of imperialism also contains within it an incipient dualism. She sees imperialism as a process by which the capitalist mode of production uses and continuously reproduces non-capitalist modes of production for its own benefit. For this reason, Luxemburg argues that, "since accumulation of capital becomes impossible in all points without non-capitalist surroundings, we cannot gain a true picture of it by assuming the exclusive and absolute dominion of the capitalist mode of production" (1951:365). She posits that the very process of capitalist accumulation rests upon the procurement of labour power from non-capitalist modes of production. Luxemburg argues that capitalism, in and of itself, is not able to produce or reproduce *all* of the labour power which it needs and, thus, essentially 'raids' non-capitalist social formations for labour power.

Meillassoux (1976), like Miles and Luxemburg, also argues that, "the artificial preservation of non-capitalist modes of production in the LEACs is part of an imperialist strategy to exploit such modes of production as a community and to siphon off value from them on a permanent basis" (as cited in Potts, 1990:188). He argues that "this is true for workers producing for the capitalist system at home, i.e. inside countries that have not been permitted to develop, as for those forced to do so, for example, in Europe as migrant workers" (as cited in Potts, 1990:188).

Thus, Meillassoux, following from the conceptual framework of articulated modes of production as theorized by Luxemburg, argues that migrant workers, even those working in the EACs, are to be considered a part of pre-capitalist modes of production. Unfree wage labour, then, is considered to be a "feudal relic", a repository of pre-capitalist social formations that exists within capitalism. Hence, the "articulation" of modes of production. Clearly, again, free wage labour is assumed to

be the form of labour power in existence under capitalism while unfree forms of labour power are seen as pre- or non-capitalist.

Adherence to this notion has limited Meillassoux's study of existing social relations of production in the EACs. He has not examined unfree wage labour to any extent. Instead, he has either blindly accepted that unfree labour is essentially non-capitalist or followed a eurocentric notion that labour coming from the LEACs is simply not as 'advanced' or 'modern' as labour from the EACs and, therefore, can be simply categorized as coming from, indeed, embodying, pre-capitalist social relations. To argue, as Meillassoux does, that the existence of unfree wage labour within the EACs can be understood by recourse to the source country of migrant workers is clearly ungrounded in fact. Clearly not all migrant workers come from countries that could be classified as "pre-capitalist." Furthermore, not all workers from countries considered by Meillassoux to be 'pre-capitalist' work as unfree labour within the EACs.

To counter such criticisms, Meillassoux has offered an alternative way of classifying free and unfree wage labour. He bases his distinctions of capitalist or non-capitalist social relations of production on how the work force is reproduced. Meillassoux holds that capitalist forms of labour power are reproduced largely through an "indirect" or social wage. This socialized wage, partly in the form of welfare programs, such as old-age pensions, unemployment insurance and health-care, is seen as the means by which a 'modern' capitalist work force is reproduced. *Because* migrant workers do not have access to the social wage, it is argued that they are not a part of the capitalist mode of production (Meillassoux, 1976:46).

The assumption that free wage labour is defined by having access to a social wage is an even more limiting one than that posed by the dualist assumptions held by the articulated modes of production theory. Clearly, forms of labour power under capitalism are not defined by whether a social wage is available or not. In fact, this is

only a recent historical development for a large part of the working class within the EACs. Indeed, social programs help to *decommodify* workers for they are no longer reliant solely upon the wages offered by employers (Esping-Anderson, 1990).

Thus, the reality of free wage workers within the EACs has changed much since the time of Marx when they comprised a work force who, due to its lack of control or ownership of the means of production, had *no* other choice but to work for those that did. During the period of study, citizens and permanent residents within the EACs still had at least some access to social welfare programs. Importantly, it was the unfree waged work force that had few, if any, real options other than to sell their labour power. The significance of this point should not be lost because of its irony. The unfree waged work force in Canada has experienced many of the same conditions of employment that free wage labour did before the existence of a social wage. Indeed, in many respects, if the wage element is added to unfree labour, it is not so different from the free wage labour that Marx characterizes as constitutive of workers within capitalist social relations of production.

Wallerstein presents a further contrast to the evolutionary model of development and the associated contention that as capitalism develops and expands there is a decline, if not an elimination, of unfree wage labour in order to facilitate labour mobility and greater investment flows. Unlike Marx, however, Wallerstein does not discount the use of unfree labour within the capitalist mode of production. He argues that slavery, debt bondage and other forms of unfree labour under capitalism can be viewed as "modes of labour control" (Wallerstein, 1979:33). He further asks whether capitalism should not be seen "as a system that combines within its economic arena some firms largely based on contractual wage-labour and some (even most) firms based on one variant or another of coerced or semi-coerced semi-wage labour?" (1976:1212).

By seeing unfree labour power as a commodity within the framework of a world market for labour power, it is possible to identify a diversity of capitalist-dominated forms of exploitation. However, while concentrating on the question of labour movements, Wallerstein does not pay sufficient attention to the methods of incorporating unfree forms of labour power into capitalist production. His work, thus, is also dualist. Instead, Corrigan argues, we should understand that all enterprises under capitalism employ coercion against workers. It is only that, "...some are more brutal than others" (1977:452).

The works of Philip Corrigan (1977) and Tom Brass (1988) help expand our understanding of the incorporation of unfree forms of wage labour in advanced capitalist economies. Corrigan agrees with Wallerstein that the defining feature of capitalism is labour power as a commodity - which comes in a variety of forms. He argues that forms of exploiting unfree labour power are not only features of 'early stages' of capitalism or a 'feudal relic' which is *articulated* with capitalism when shortages in free wage labour occur but a pervasive and integral part of capitalist expansion itself (1977:441).

Indeed, Corrigan contends that "...the expansion of capitalism, in fact, hinges on the introduction on a very large scale, of unfree forms of labour" (1977:441). He states that unfree "forms of coercion should not be conceptualized as residuals from former modes of production, and essentially irrational; but as indications of capitalism's expansion" (1977:441). Corrigan holds that the central aspect to the unfree aspect of wage labour is the "...extra-economic social and ideological coercion" faced by those workers affected (Corrigan, 1977:451).

Likewise, Tom Brass argues that unfree wage labour does not exist in *opposition* to or *alongside* free wage labour, but is an *integral* part of the capitalist system which instead of disappearing with the expansion of capitalist social relations

actually increases. Brass makes a further critique of Miles' (following Pentland's) contention that unfree labour owes its existence to labour shortages. Brass shows that often times, it is the *surplus* of workers which allows the state to enforce conditions of unfreedom for some workers. "Surplus" conditions can be said to exist when a significant number of the work force cannot find employment. As such, the introduction of unfree labour into a labour market exacerbates the competitiveness existing in an "over-populated" labour market.

Brass asserts that it is the class struggle between capital and labour that sets limits upon the use and scope of unfree wage labour. When labour is weakened, therefore, the state is able to impose (or re-impose) conditions of unfreedom upon groups of workers. Indeed, Brass argues for the paying of closer attention to "...the important connection between labour militancy, unfree relations, and work force restructuring" (1988:187). To do otherwise results, in Brass' opinion, "...a unilinear view of capitalist development, premised on an ultimate transition from unfree to free production relations, and thus leads to a misrecognition of the structural changes taking place [within capitalism]" (1988:185).

This is not to say that Brass disagrees that unfree labour is used during times of labour shortages, but he, like Sassen (1988), points to the double meaning of the notion of "shortages" (1988:187). Brass agrees that the term does not always refer to a *quantitative* shortage of workers but the shortage of a particular *kind* of work force, i.e. 'cheap', politically repressed, etcetera. Morales, in her study of the southwestern United States, further points to the fact that "the contemporary situation reveals that immigrants can be equally important during structural transformations distinguished by economic downturns" (1988:570). Brass agrees with this finding by positing that:

it is precisely in the combined circumstances of anti-union legislation, compulsory 'training'/'retraining' schemes for youth and the long-term

unemployed, the replacement of welfare provision with workfare, cutbacks in the social wage, declining real wage levels, and the rising unemployment now occurring in the [EACs] that the linkage between an oversupply of workers and unfree relations becomes important. In short, this development challenges the assumption that the expansion and operation of the industrial reserve army necessarily leads to and takes the form of an extension of free wage labour (1988:186).

For Brass, the restructuring of economies in countries such as Canada is facilitated by the successive weakening of the working classes. The re-imposition (or the continuation) of unfree forms of labour power should be seen within the context of the attempt by employers to secure (or increase) their profits and to further weaken the strength of the collective working class. Thus, for Brass:

the advantage of work force restructuring... where externally recruited labour is involved - permits them [employers] first to lower the cost of the local work force by importing unfree, more easily regulated, and thus cheaper foreign labour, and then in turn to lower the cost of the latter when the original foreign/local wage differential has been eliminated. In this way, conditions and payment of both components of the work force can be decreased continuously, and the level of productivity/profitability/ (or rate of exploitation) correspondingly maintained or increased (1988:188).

In this regard, Corrigan (1977) points out that the state plays an important role in the creation of unfree labour and, indeed, unfree labour can be said to make "...state control visible" (1977:444). The contention that the state stipulates the unfreedom of wage labour for some in order to further the accumulation project of capital is supported by several localized studies. Jenkins, in studying the recruitment of Mexican migrant workers to U.S. farms shows that the state is concerned with controlling the wage bills of employers rather than any need to fill quantitative labour shortages (1982).

Significantly, it emerges that within the EACs, unfree working conditions, in the recent phase of capitalist restructuring, have been imposed first upon foreign workers. Thus, immigration policy plays a crucial role in imposing conditions of

unfreedom upon groups of workers. In this vein, Corrigan asserts that despite the supposed 'voluntary' characteristics of current labour migrations, "...migration-as-coercive-circulation is a continuing (and not merely a preliminary constituent) of advanced capitalism;...it is an ingredient within, and not an external support for,...advanced technological production..." (1977:445). It appears then that the EACs "...have thus converted whole countries into labour reserves; driving down their costs of production by minimizing the reproduction costs of labour. But migrants also serve political ends; lacking the most elementary 'civil rights', denied membership of a trade union - what better vanguard against the organized labour movement could be found?" (Corrigan, 1977:448).

The notion that unfree wage labour can be used as a mechanism of social control within the context of class struggle is taken up by Robin Cohen as well. He states, "in so far as the state can regulate this process [immigration], it is able to activate or deactivate the outer labour reservoirs and therefore affect the bargaining position of labour" (1988:181). Cohen, then, emphasizes the role that the state plays in creating conditions of unfreedom for workers through stipulating their conditions of entry into the borders of nation-states.

2.5 Summation and Avenues for Further Research

Gaining access to labour power has always been a necessary condition of the capitalist mode of production. Indeed, the international division of labour has constituted "the sustaining economic fabric of every world order" (Palacios, 1993:27). Furthermore, various institutionalized systems have been employed throughout the last five hundred years to transfer large quantities of living labour power to different locations around the world (Potts, 1990). Importantly, while various institutional responses have been formulated to ensure the availability of living labour, the one imperative that has not been transcended is the need on the part of the capitalist class

to cheapen this supply. Citizenship status has been integral to this process and is, indeed, integral to the organization of production around the world.

In order to understand the present day, large-scale migration of workers that is taking place on a global level, it is useful to connect their movement to the historical workings of the capitalist system as well as to the changes occurring within it. The market that has emerged is one characterized by massive inequalities and differentials in the rights and wages accorded to workers both in comparison between EACs and LEACs as well as within these countries. The various forms that the world market for labour power has taken are inextricably linked to changes in capitalist development, expansion and restructuring.

While theorists who argue for this longer historical understanding of the world market for labour power have considerably expanded our knowledge of the links between capitalist development and the changing means of acquiring labour power, their work, to date, has largely been of a generalized nature. Their usefulness has, thus, been to provide a comprehensive understanding of the way that various forms of labour power are absorbed as capitalism undergoes restructuring. Their importance also lies in the fact of their emphasis - that the means of gaining access to labour power should not be simply subsumed under an examination of changing geographical sites of production.

What is often missing from their analysis is the *differential* experiences people within the world market for labour power encounter. These experiences are shaped both at the point in which people enter this market and when they come under the purview of individual nation states which stipulate their conditions of entry and, often, their conditions of employment. While the existence of a "transnational space" is not being called into question, individual nation-states, and their policies on immigration continue to present themselves as filters through which migrant workers enter

domestic labour markets. These policies shape the employment experiences of migrant workers. Ultimately, these immigration policies are the links that allows us to look beyond abstract notions of the workings of the world market for labour power and the way such a market is experienced.

To be able to understand the conditions which shape the making of such policy it is important, as Sassen has argued, to look at both the 'supply' and 'demand' conditions which connect sending and receiving countries and pattern the migration of labour. Sassen has been successful in pointing out the falsehood of constructing the international movement of capital and labour into unrelated categories. It is clear that the various factors which shape the movement of capital to particular locales around the world help to influence the out-migration of workers from these countries. It appears that as capital flows into a country, labour begins to flow out. Conversely, as capital flows out from the EACs, foreign labour begins to flow in (Asian Women's Association (AMPO), 1988).

Direct foreign investment, overwhelmingly geared towards production for export, has helped to both undermine the ability of people to survive in the LEACs, creating conditions for the substantial out-migration of people, as well as contributing to the development of conditions within the EACs that make the use of foreign workers attractive for capital within these countries. The competition between individual EACs and LEACs for capital investment has resulted in major changes occurring in the immigration policies of the former.

It is on this point that Sassen's arguments need to be expanded. While she has succinctly outlined the processes which shape the movement of peoples from the LEACs to the EACs, she fails to examine immigration policies *per se*. Furthermore, her tendency to homogenize the immigrant population by assuming that all share common stipulations of entry is unfounded. Sassen, thus, underplays the complexity of

immigration policy. Immigrants vary in their experiences according to which category of immigration they gain entry through as well as their gender, their ethnicity and their class background.

In her work, Sassen devotes very little space to the movement of unfree wage labourers - the so-called 'guest' workers. Instead, most of her discussion hinges upon the movement of labour that is unrestricted in its mobility in the national labour markets it enters.²⁷ In both the U.S. (where Sassen concentrates her studies) and Canada, the use of unfree wage workers is significant and has been steadily increasing since the early 1970s. To ignore such a substantial number of migrant workers as well as to ignore the implications of legislating the terms on which they are able to sell their labour power seems to constitute a major omission in the understanding of the world market for labour power, a country's position within such a market and its immigration policies.

The existence, indeed expansion, of conditions of unfreedom for a growing number of workers has challenged assumptions that unfree labour is simply an "anomaly" within the regular functioning of the capitalist mode of production or that unfree conditions of employment are only regulated when there are quantitative shortages in the availability of free wage labour. Instead, it is seen that unfree wage labour is both a pervasive and integral component of capitalist labour markets. It is sustained because it is a means of furthering the accumulation project of capital as well as a mechanism of social control against workers.

Those who appreciate the importance of the continued and increasing use of unfree wage labour within capitalist social relations, however, have not paid sufficient

²⁷ Sassen does pay attention to the plight of immigrants labeled as "illegals" and the restrictions they face because they are not protected by legislation that covers "legal" workers in the US but does not discuss the legislative restrictions placed upon immigrants who are 'legal' but still do not have the same rights as other 'legal' workers.

attention to the role of state immigration policies in the introduction (or re-introduction) of this form of acquiring labour power. Instead, these theorists generally concentrate on the broad principles by which unfree wage workers are profitable for capitalist enterprises or the general ways in which their unfreedom is mandated by legal and political restrictions upon their mobility.

In discussing immigrants who are forced to work as unfree wage labour it is necessary to not only understand the importance of the international context in which these workers are situated but also the specificity of the national policy framework and the national labour market into which they are inserted. It is not only people's place within the international division of labour but also the social relations which exist within individual nation-states that shapes their experiences. Thus, in understanding the creation of unfree wage labour supplies within particular labour markets, it is important to understand the conditions under which free wage workers operate in the country - particularly within a context where nation-states are competing with one another for capital investment.

Customary explanations of labour 'shortages', those which see them as simply the physical unavailability of workers, are disputed in such circumstances, for it is seen that international price differentials for workers and disparities in relation to workers' rights contribute to a *qualitative* shortage of particular kinds of workers in the EACs. As such, the policies of these states are too important to be left to generalized understandings of their workings.

In Canada, immigration policy is the main avenue by which workers are forced to work as unfree wage labour. In the period between 1973 and 1993, there has been an increase in the use of unfree wage labour in Canada. The creation of conditions of unfreedom for groups of workers seems to be one means available to the state to foster the competitive capabilities of capital operating in the country by creating

pockets of workers within its labour market that are competitive with those existing in the LEACs.

Furthermore, the imposition of unfree conditions of employment forms a part of the class struggle within the country since the implications of creating such a subjugated group of workers within Canada is quite negative for those currently employed as free wage workers. Thus, it is maintained that Canadian immigration policy is the crucial link between the world market for labour power, the structure of the Canadian labour market and the competitive capabilities of capital operating within the country. It is argued that foreign workers provide a solution for both capital and the state in "solving" the problem of relatively high labour costs by expanding the industrial reserve army across national boundaries.

3. The Crisis of Freedom: A Made in Canada Cheap Labour Strategy

3.1 Introduction

There has been a fundamental re-shifting of the environment shaping policy formulation, not only in Canada, but throughout the world, during the period under study (1973-1993). Much of this transformation has resulted from the interplay of several factors. The strategies undertaken by capital to resolve its crisis of accumulation, the responses made by capitalist states to ensure that capital investment and, hence, accumulation continues to take place within their territories and the resistance by workers against further encroachments on their living standards and rights have *all* interacted to objectively restructure the economies of societies around the world.

As both consumer markets and sites of production have become increasingly international and competition has intensified in both national and international markets, the so-called "social compromise" of the post-war period between organized labour, capital and the state in the economically advanced countries (EACs) has no longer been able to ensure the continued profitability of capitalist enterprises (Lipietz, 1987). For capitalists one of the surest means of meeting their accumulation demands within the EACs has, therefore, been to radically alter the social relations established after the second world war. As a result they have paid much attention to reducing the rights won by large parts of the working class within the EACs during that time.

As pointed out by Joyce Kolko, the routine arguments of capitalists now,

...cite labor's strength or full employment as a "rigidity" *causing* inflation and preventing the necessary "readjustment" of the economy to resolve the crisis. Wages, they claim, take a larger share of national income, inhibiting investment; labor's militancy *prompts* relocation and therefore is *responsible*, along with the minimum wage and unemployment compensation, for unemployment. Welfare measures *cause* deficits and are now expendable, the tax on corporations...is a drain on capital that could otherwise be invested, and so on (1988:91-2, emphasis added).

Class struggle, then, has been a major component of the restructuring strategies of capital. It is important to note that strategies designed to shift the balance of class power more firmly to the benefit of capital require the changing of many government policies arrived at in the post-war period. As such, we will see that it is through shifts in policy direction - ranging from broad macro-economic policy to labour market policies that many of the goals of restructuring have been obtained.

Regressive policy shifts further the goal of capital accumulation but they also aid in the current restructuring goals of capitalist states. Since the greater mobility of capital has made the accumulation process highly unstable and unpredictable for individual countries, governments have responded by formulating policies that help to make their own territories attractive to capital investors. It is argued that such policies help in the renewal of national growth.

We will see that throughout the period under study, the notion that Canada *must* establish a "comparative price advantage" has gained primacy both in the exhortations of business leaders and state legitimation techniques. Comparative advantage in the world market for labour power lies with those nations able to offer a work force coerced into labouring for low-wages, in poor conditions and for long hours. The ability of transnational corporations to relocate to other areas of the world (or their threats to do so) have been used throughout the period under study as a means to impose wage cuts and harsher working conditions on both the domestic work force as well as upon foreign workers.

This, of course, has significantly augmented the power of capitalists to continue to demand further concessions and other subsidies from governments. As a result, many of the policies formulated during this time have had a significant impact on shaping the supply of labour. Indeed, we see that the search for particular *kinds* of labour power continues to be a requisite for capital accumulation.

In this regard, international organizations, such as the Organization for Economic Cooperation and Development (OECD) and the International Monetary Fund (IMF) as well as business leaders and the Canadian state have all come to embrace similar strategies. All agree that workers must become more subject to the power of employers in order to attract capital investment. This is best accomplished, they argue, through ensuring that workers have a more "permanent attachment" to the labour market. In other words, workers should not have much, if any, recourse to paid employment.

It is in this context that the rights and wages realized by much of the working class in Canada have been fundamentally challenged. As the domestic working class has been weakened, conditions of unfreedom have again been introduced into Canada through the Non-Immigrant Employment Authorization Program. Importantly, Canadian immigration policy has been used to bring workers to Canada who are made to work in conditions similar to those existing in the very countries that capital currently finds more attractive. The state is able to further guarantee that foreign unfree wage workers *have* a "permanent" attachment to their employers through threats of deportation for any worker leaving her or his job without permission from an immigration officer.

This chapter, then, serves several purposes. It examines various state policies which have placed increasing emphasis on the accumulation demands of capital at the expense of the concrete benefits and rights of workers. It is argued that it is within this context that unfree conditions have been imposed upon the greater part of the foreign work force. What stands out within this inquiry is the greater use of the coercive powers of the state with regard to its labour market policies. While such coercive methods have been stepped up during the period under study, the state has also engaged in ideological legitimization tactics designed to gain consensus for the attack

against workers - whether domestic or foreign. These have been particularly manifest in calls for increased 'freedom' from business leaders as well as government officials.

Of course, from the point of view of workers, such freedom, in as much as what is being advocated are 'free' markets, has represented a measurable reduction in their own freedoms and rights. This is nowhere more apparent than in the case of foreign workers admitted under the Non-Immigrant Employment Authorization Program. Indeed, there has been a substantial increase in 'freedom' for capital in the period that unfree wage labour has been introduced and intensified in Canada. Such changes can rightly be considered a part of Canada's own structural adjustment program.

3.2 The Freedom to do Business: Macroeconomic Policy Shifts

Almost everywhere, workers are the targets of states struggling to renew investment incentives and compete for capital. In Canada, during the 1970s, 1980s and continuing into the 1990s, this attack has been against the significant gains made by labour in the previous period - gains that resulted in higher wages at a time when competition amongst most capitalists in the world economy was sharpening. Joyce Kolko argues that "the struggle is now being waged relentlessly by capital and the state to reduce systematically the cost of labor and its share in the national income, to weaken the working-class organization and movement [in order] to restructure the work process globally" (1988:344-45).

Changes in Canadian economic and social policies reflect these macroeconomic restructuring strategies. Such shifts are part of the 25 nation OECD²⁸ strategy to make workers within its member countries more competitive within the world market for labour power. Indeed, from the beginning of the period under study, restructuring in

²⁸ As of 1994. OECD countries are: Austria, Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom, the United States, Japan, Finland, Australia, New Zealand and Mexico.

the OECD countries has focused on the effort to reverse the post-WW II gains of the labour movement in order to make the work force more 'competitive' with countries whose labour forces are both cheaper to employ and subject to greater political repression.

OECD recommendations issue, in part, from the fact that between 1974 and 1983, the EACs lost 8 million manufacturing jobs, while the LEACs, particularly the 'newly industrialized countries' (NICs), gained 6 million (Peet, 1987:21). This extraordinary movement of production sites signifies a shift in the strategies designed to gain particular types of labour power and stems, in large part, from the crisis of accumulation faced by capital. A study prepared for the Committee for Economic Development in Washington concluded in 1979 that, "it is a widely accepted fact that NFC [non financial companies] profitability has fallen sharply since 1965" (Holland et al, 1979: 105). This radical drop in profitability - 50 to 60 percent between the 1960s and the 1980s according to some estimates - was particularly acute for capital operating in the EACs (Gonick:1987:341-42).

The re-location of capital, as well as many of the social and economic policies formulated within the period of study, can, thus, be seen as a response to this crisis. As June Nash aptly points out, "the vanguard of...the world capitalist system is in the lowest paid segment of those countries paying the lowest wages (1983:x). Indeed, even though EAC states continue to offer increased rates of subsidy to capitalists, this is minimal compared to the international labour cost differential and offers little real incentive to transnational investors (Peet, 1987). Not surprisingly then, both the OECD and the IMF have consistently pointed to labour market and social policy measures of member states which allegedly "inhibit" their "ability to adapt" as the main factors causing such a large-scale movement of capital to the LEACs (1994:3).

Thus, the OECD's *Jobs Study*, contends that in contrast to the state policies of many LEACs, certain of their members' "...policies and systems have made [their] economies rigid and stalled the ability and even willingness to adapt" (1994:7). 'Rigidities' within the labour market are identified as those which offer workers recourse to the market economy and protect them against employers. Eliminating such social welfare measures, it is argued, will help to facilitate the flow of capital *back* to member states.²⁹

The OECD's *Interfutures*, in 1979, raises the argument that a political choice needs to be made between provisions for "social justice" and the restructuring of the OECD economies to make them "competitive" in the world market (1979:170). It adds that, "one thing is certain; the choice cannot ignore the fact that today's industrialized societies are becoming minority societies in a changing world" (1979:170). With this in mind, the OECD posits that

in many cases, what is needed is to mitigate the unintended side-effects of many policies that were designed to achieve equity objectives. In some cases this may mean a more fundamental, radical redesign of policies, together with considerable changes in attitudes and institutional practices, especially in the fields of taxation, social policy and collective bargaining (1994:35).

The OECD's *Jobs Study* report feels that the best way to eliminate the 'unintended side-effects of...equity objectives' include: eliminating minimum wage standards in order to "prevent [them] from becoming a barrier to hiring..." (36); making the work force more "flexible" (43); use of unemployment insurance and social assistance payments as a wage subsidy to "low-wage" employers, thus, allowing these

²⁹ The OECD also continues to argue against employment equity programs for they attempt to address inequalities between workers - inequalities that, in part, ensure a constant supply of 'cheap' labour power within member countries by the equity-seeking groups (Sharma. 1994). In Canada four groups have been identified by the state as having faced historic and systemic discrimination within the labour market. They are, thus, 'equity-seeking'. The four groups are: Aboriginal peoples; visible minorities, i.e. people of colour; people with disabilities and: women.

programs to be "active" rather than "passive" (38; 47); removal of the universal provision of social programs and its replacement of targeted programs for the "deserving" (47); restriction of unemployment insurance benefits to make sure that "job search is intense and rapid..." (48) and; linking eligibility for unemployment insurance to family rather than individual income (49) (OECD, 1994).

In case any 'equity objectives' remained, it further argued for the: removal of pensions for older people in order to "provide them with more opportunities for participation in working life rather than incentives to withdraw" (45); linking the provision of social programs to mandatory training schemes; privatize training (47); increasing the "flexibility of working time" by "remov[ing] obstacles in labour legislation which impede the emergence of flexible working-time arrangements... and extend part-time working in the public sector" (43; 45); increase subsidies given to business (45); impose "greater wage flexibility" and "differentials" (45); introducing more regressive taxation methods (46); and the phasing out of collective bargaining agreements "which impose inflexible conditions" through the introduction of "opening clauses" designed to "allow higher-level collective agreements to be renegotiated at a lower-level" (46) (OECD, 1994).

The International Monetary Fund (IMF) has arrived at proposals similar to these. To reach the goal of restructuring the EAC economies in ways to help make them competitive with countries that capital currently finds more 'attractive - and in the process, further sharpen competition throughout the capitalist system - the IMF has succinctly summarized the desired restructuring policies of the EAC states as:

modifying or reforming many of the institutional arrangements that impede adjustments in real wages, raise the costs to firms of hiring and releasing workers, and reduce the incentive to work. Common modifications have been to reduce the extent to which incomes are...adjusted to price increases, to exclude items such as energy and

indirect taxes from wage-regulating price indices...[the] lowering of minimum wages, the limitation of unemployment benefits, the extension of occupational training schemes, reductions in subsidies, deregulation, and the "privatization" of some public enterprises (1985:3).

Clearly, such proposals serve to create a large low-wage work force. Rising rates of unemployment, an increase in the supply of non-standard jobs and a growing reserve army of labour all aid in weakening the power of workers. Many of these strategies have come to fruition. The labour share in the national income of all the OECD countries has fallen steadily following 1979 (Kolko, 1988:235). Since the mid-1970s, the real minimum wage in Canada has declined by 20 to 30 percent (Ecumenical Coalition for Economic Justice (ECEJ), 1993). Real wages for the average worker have also dropped in this time (Oxfam Canada, 1992:10).³⁰

Considering that the generalized lowering of wages for the majority of the work force is a stated aim of capitalist restructuring, they can, as a package, be described as a part of capital's 'cheap labour strategy' (Swanson, 1994; Sharma, 1995).

Much of this strategy is being carried out under the guise of creating (or returning) to 'free' markets. The broadest macro-economic manifestation of the ideology of 'free' markets can be seen in the Canadian state's shift in emphasis from Keynesian,³¹ post-Keynesian³² and onto monetarist³³ paradigms in shaping government

³⁰ For example, an ECEJ study found that in 1975, a full-time federal minimum wage worker living in a large city with a spouse and one child earned approximately 81 percent of the poverty rate as determined by Statistics Canada (one-half the average income, adjusted for family size). By 1986, this same worker only earned 46 percent of this poverty line income. Importantly, with two people working for the federal minimum wage, their joint income would still fall 8 percent below the 1986 poverty line (1993:22).

³¹ Keynesianism can be briefly described as roughly following the macro-economic guidelines laid down in John Maynard Keynes' 1936 publication of *The General Theory of Employment, Interest and Money*. Keynes was concerned with both accumulation and legitimation strategies of the state. Keynes argued that insufficient aggregate demand in the economy led to the crisis of accumulation and legitimation that occurred during the 1930s. In order to avoid such crises in the future and ensure that the capitalist system was preserved, aggregate demand would need to be manipulated through state spending either directly or through the stimulation of the private sector by the state, for instance, through tax concessions or subsidies. Keynesianism also placed a great deal of emphasis on legitimation mechanisms, for it recognized that the hegemony of capitalist social relations system rested on its ability to operate under the disparate threats of either socialism or fascism.

Keynesianism was attractive to capital, labour and the state. Indeed, it formed the foundations of the so-called post-war "compromise" between the three actors. Capital was able to continue being accumulated since the high aggregate demand caused by the increased consumptive abilities of workers offered new means to ensure a profit. Labour, organized labour anyway, saw in Keynesianism's benign or positive attitude towards trade unions, collective bargaining rights and an increased welfare system a means to make significant advances in their strength and in their living standards (see McBride, 1992:60).

Canada has been called by some, the "weakest Keynesian link." McBride notes that "throughout the post-war period, there were supply-side interventions by the state in such areas as immigration, commerce, taxation, transport and energy - in effect, applications of Canada's traditional state-based economic development policies rather than interventionist Keynesianism" (1992:62).

³² Concerns about the increased strength of trade unions and about the supposed inflationary effects of high employment led to modifications of Canadian Keynesianism as early as the 1950s. However, the notion of trading off certain levels of unemployment for decreased inflation rates or increased strength for employers was not widely accepted until the mid-1960s when the general rate of profit began to decline (McBride, 1992:62-3; Lipietz, 1987:37). Full employment, defined as the absence of involuntary employment for white men, one of the goals of Keynesianism (at least in theory), began to be undermined during this era. It came to be seen as an important but no longer the most important goal for social policy to achieve (Armstrong and Armstrong, 1988:68; McBride, 1992:63). It was argued that some employees should be considered as "unemployable," because of deficient skills or 'inappropriate' attitudes or motivations. Thus, the qualitative nature of the work force gained emphasis and more policies were implemented to control such attitudes or motivations. Supply-side public policies regarding the operation of the labour market, such as training and relocation of workers began to gain popularity (see McBride, 1992, for a more detailed discussion). It was also during this time that the Non-immigrant Employment Authorization Program was implemented. It was essentially an attempt to control the supply-side of the Canadian labour market through more coercive means than were readily available to the state for resident workers (see chapter four).

³³ Monetarist policies were especially attractive in Great Britain, the U.S. and Canada, all of whom began to face increased competition from Japanese and West German capital after the 1960s. Monetarists advocated the withdrawal of the state from direct intervention in labour and other markets to the benefit of workers, because it was felt that the growing crisis in capitalist profitability rested with the state's "interference" in the operation of "free markets." Much of the interference so vilified by monetarists were those state measures which gave workers greater bargaining strength against capital. Thus, a great deal of attention was paid to decreasing the strength of workers. The goal of full employment was abandoned and replaced with the desire to control the rate of inflation. The gains made by labour, largely unionized labour, such as collective bargaining rights and provisions made by the social wage came under attack by Monetarists since they saw them as "impediments" or "barriers" to the "free" operation of capitalist labour markets. Unions or the "welfare state" added to inflation since workers could either take themselves largely outside of competition from the open labour market or sustain themselves outside of such markets and, thus, demand higher wage rates than was "natural."

It was, thus, argued that "short-term" unemployment, because of its "disciplinary" attributes should be encouraged (Showler, 1981 as cited in McBride, 1992:66). Likewise, legislative means to erode or destroy the power of unions, the rights of collective bargaining or minimum wage regulations were encouraged. Privatization was also advocated because public control or ownership was seen as interfering with the "free market." Furthermore, regressive tax policies and schemes were encouraged because of the notion that such measures would increase the pool of investment capital (see McBride, 1992 for a more detailed discussion).

McBride highlights the role of monetarist policies in undermining the legitimization role of the capitalist state. Since, as Chernomas (1982:133 as cited in McBride, 1992:67) points out, "in essence, monetarist policy and rhetoric is an effort to restore the rightful place of depression into the dynamics

policy. While the shift from one school of thought to another has not been linear and some overlap is discernible, it can be said that the period of dominance for each school corresponds roughly to the following years.

Keynesianism (in a more weakened version than existed in many Western European countries) dominated the period following WW II until 1975 (Drache and Glasbeek, 1992:17).³⁴ Keynesian-style policies were a part of the so-called 'social compromise' between organized labour, capital and the EAC states following the war. During this time, an intensive "regime of accumulation" referred to as 'Fordism', predominated (Lipietz, 1987). It relied on a "mode of regulation" based upon mass consumption.³⁵ Productivity and popular consumption were incorporated into both profits and wage levels. Wage levels rose in relative correspondence to increases in productivity, therefore reproducing this regime. The Keynesian period is normally thought to have come to an end by 1975. In this year, the Bank of Canada announced that it was beginning a policy of decreasing the rate of growth in the money supply. This was in response to the government having declared that fighting inflation was to be its top priority.

of the capitalist economy." the state needs to find another method by which to ensure that the system, as a whole, remains legitimate to workers who, undoubtedly, will be the hardest hit by depression. Furthermore, many associate the "welfare state" as an integral part of their citizenship rights. It is argued that the state resorts to ideological legitimation since the tools it used as concrete legitimation in the Keynesian era have largely been abandoned (see McBride, 1992 for a more detailed discussion).

³⁴ With respect to levels of social spending, Canada actually fell into the bottom third in comparison to other states who adopted a Keynesian social policy framework (McBride and Shields, 1993:12).

³⁵ The concepts, "regime of accumulation" and "mode of production" stem from the work of those involved in the 'French Regulation School'. Regimes of accumulation can be thought of as periods of growth in which compatibility is found between production and consumption. Production, because that is where surplus value is created and consumption, because this is the realm in which surplus value is realized. For example, a Fordist regime of accumulation has both mass production and mass consumption as part of its defining characteristics. Modes of regulation can be thought of as the materialization of the regime of accumulation "in the shape of norms, habits, laws and regulating networks which ensure the unity of the process and which guarantee that its agents conform more or less to the schema of reproduction in their day-to-day behaviour and struggles" (Lipietz, 1987:14). The particular mode of regulation, thus, ensures the continuity of the corresponding regime of accumulation.

Post-Keynesianism is seen as a transitional paradigm that informed policy formulation between 1975 and the election of the Mulroney Conservative government in 1984 (McBride, 1992). This period is differentiated from the Keynesian era due to the greater priority given to ensuring the accumulation demands of capital at the expense of concrete benefits to workers during this time. For instance, 1975 saw the imposition of the Anti-Inflation Program (1975-78) which suspended free collective bargaining for all workers in the country (Panitch and Swartz, 1993:24-5). However, while moving away from some of the defining features of Keynesian policies by de-emphasizing the goal of full employment, eroding the collective bargaining rights of labour and chipping away at the social safety net, post-Keynesianism still accepted a major role for the state, at least at the micro-level of the economy (McBride, 1992:62-4).

Following 1984, the monetarist perspective, which promotes a 'free' market system, held sway in the country.³⁶ For those espousing a 'free' market ideology, the appropriate role of the state is to ensure that capital is unregulated while labour 'discipline' is maintained. For monetarists, 'discipline' is defined as the absence of alternatives to paid employment, thus, ensuring that workers have a more 'permanent attachment' to the labour market. Ultimately, 'disciplining' the work force increases the pressure for workers to compete for and stay in low-income jobs.³⁷

Policy changes during the monetarist period are part and parcel of this generalized climate. Many social policies designed to ensure the success of this goal

³⁶ see McBride, 1992: 65-7, for a more detailed discussion.

³⁷ Canada is compared to other OECD countries, especially the U.S. The comparison is unfavourable, however, because it is believed that the U.S. has not been as "unwilling" to implement such accumulation strategies. The OECD notes positively that in the U.S., "there was a different response to technology and globalization. Protective labour market and social policies were less extensive; labour markets remained highly flexible... Many [new jobs] were low-skill... often filled by women. Workers in these jobs often had no option but to accept low wages, precarious conditions and few health and other benefits" (1994:30).

have used ideological legitimization tactics to undermine workers' resistance to such radical restructuring.³⁸ As such, the restructuring of capital, of labour and of the state in Canada has been accompanied by an ideological restructuring. Neo-conservative ideologues have been successful in shifting the framework for discussion on present and future social policy alternatives by arguing that Canada must offer a work force that is "competitive" with those available elsewhere.

Appeals in support of this direction argue that such moves are in the "national interest." Michael Porter, in a study prepared for the Business Council on National Issues and the Canadian government argues that, "Canada...is at an economic crossroads, and... that] the core of its economic prosperity is at risk" (1991:4). Jeopardizing the "future of Canada" is "...an array of policies, strategies and attitudes on the part of governments, business, labour and individual Canadians that leave the economy in many respects ill equipped to respond to a rapidly changing competitive environment" (1991:4).

Such policies include those that insulate workers from market forces, such as unemployment. Thus, along with the abandonment of a policy of full employment, reductions in social spending expenditures, such as unemployment insurance (UI) and social assistance directly and indirectly fulfill the accumulation needs of capital. Through such cuts, capital gains greater bargaining strength against workers. This is then used to further reduce wage levels or worker protections (McBride and Shields,

³⁸ McBride labels as "ideological legitimization strategies" those which include "...the state's use of theory, documentation and information, argument, mystification, public relations manipulation, diversionary appeals (e.g. 'scapegoating'), co-opting of critics, and token or placebo policies designed to create the impression of responding to problems but in reality doing little to resolve them" (1992:21). For example, any politically convenient scapegoat, such as immigrants or an increase in the number of women in the paid labour force may be dredged up as excuses for the need to continue with policies that weaken workers and strengthen the position of capital in the country. On the other hand, McBride labels as "concrete legitimization strategies" those which accrue real benefit to people. These include the goal of full employment as the stated purpose of social policy or the provision of social services (1992:21).

1993:19). Since social welfare programs partly serve to decommodify workers through the provision of public services, reductions leave workers more vulnerable to market forces because recourse to non-waged income is lessened (Esping-Andersen, 1990).

Thus, neo-conservatives do not aim to end the role of governments all together. Ultimately, they continue to advocate government spending and 'interference', but largely on terms beneficial to capital. Porter, for instance, argues that governments should play a decisive role in finding "new approaches to labour-management relations" that "create stronger individual and corporate incentives for investment" (1991:84;97). As such, Drache and Gertler point out that,

competitiveness has become defined narrowly on the terrain staked by private sector actors who want a state strong enough to discipline the work force and constrain wage movements but one which is increasingly liberal in providing industrial subsidies, tax concessions, and tax expenditures [to capital] (1991:9).

In line with the increased reliance by the state on ideological legitimation techniques, measures designed to 'discipline' the work force have been couched in terms meant to lessen discord. In true corporatist fashion, successive governments have come to contend that the creation and continuation of inequalities for the many is "necessary" for the supposed betterment of the 'whole'. Portraying attacks against workers as sacrifices to be made "temporarily" in the name of the 'national interest' highlights the way in which the state has attempted to gain consensus for such moves. Ideological legitimation tactics are used simultaneously with the coercive powers of the state.

Thus, Leo Panitch and Donald Swartz argue that there has been, "...a shift from the generalized rule-of-law form of coercion...toward a form of selective, ad hoc, discretionary state coercion" (1993:24). The significance of this shift lies in the fact

that "it [has] made explicit the ad hoc, selective, "temporary" use of coercion, not merely directed at the particular groups of workers affected or at the particular issue of "emergency" at hand, but rather designed to set an example for what [is] considered to be *appropriate behaviour* [on the part of workers]" (Panitch and Swartz, 1993:26, emphasis added).

For instance, the denial of collective bargaining rights are portrayed as "temporary" measures or as measures which workers "voluntarily" take on their own to fight the government's declared "war" on inflation or the war against the federal debt. Regardless of the appeals made to defend the national interest, the coercive powers of the state are more than apparent. As Panitch and Swartz point out, while there were 16 examples of back to work legislation in the entire 20 year period from 1950 to 1970, there were as many such incidences between 1970 to 1974 alone (1993:23). Between 1970 and 1984, there have been 63 examples of back-to-work measures with over 47 of these occurring between 1975 and 1984.³⁹

A combination of ideological tactics and coercive powers is also evident within the 'hysteria' generated by business and governments regarding the so-called "deficit crisis." These 'crises' have been used to legitimate attacks against many aspects of workers' lives. They are used to create an environment in which further concrete benefits to workers are seen as both unfeasible and unacceptable. This role for the state is the one that most benefits capital and weakens the strength of labour, for it is legislation that reinforces collective bargaining rights and state expenditures on concrete benefits that are targeted as *causing* inflation or *creating* deficits.

It is, therefore, apparent that the recommendations made by various OECD and IMF reports and studies are being steadfastly followed by successive Canadian

³⁹ Back-to-work legislation essentially suspends the collective bargaining rights of workers, thus giving employers much greater power against labour in pressing their on-going demands for roll backs in wages and work rules.

governments. For instance, many of the same proposals endorsed by the OECD throughout the period under study are to be found in the 1985 report of the Royal Commission on the Economic Union and Development Prospects for Canada (the MacDonald Commission). Indeed, this report has come to be seen by many as a blue print, of sorts, for the neo-conservative program for restructuring both the Canadian economy and Canadian labour force (Swanson, 1994).

The report submitted by the MacDonald Commission has essentially two recommendations. Its first recommendation, 'free' trade, has since been adopted (see below). Its second recommendation - to fit Canada into a low-wage 'free' trade environment through the creation of a capitalist version of the Guaranteed Annual Income (GAI) - has still to be achieved, although many features of it have already been implemented. This version of the GAI was presented to MacDonald by the Canadian Manufacturer's Association.

It contains four main arguments that are remarkably similar to those made by both the OECD and the IMF. They are: keep the minimum wage low and pay equity proposals ineffective; keep the GAI low by keeping entitlements at only one-third of the poverty line; allow the GAI to be used to subsidize inadequate wages and; destroy nearly all existing social programs, including UI, through large-scale cuts to federal contributions to provinces for welfare, family allowance, social housing and the Guaranteed Income Supplement for seniors.

MacDonald recognized in 1985 that these recommendations would result in radically negative changes in the lives of most of the populace. He, therefore, suggested that these 'reforms' be *phased* in so they would not meet with great public outcry.⁴⁰ For phase I, he advocated an end to the family allowance, the child tax credit

⁴⁰ Ken Battle, under his pseudonym, Gratton Gray, has termed this method of policy-making "social policy by stealth" (1990).

and the replacement of the child tax exemption with a child benefit for low-income families. Almost immediately, the Mulroney government implemented the proposals of phase I. Following this initial phase, other elements of the MacDonald Commission Report began to be incorporated into Canadian social policies.

Most of these recommendations have been institutionalized through the signing of two 'free' trade agreements - one with the U.S., the other with the U.S. and Mexico. While hotly denied by the governments responsible for introducing these agreements, both have increased pressures to bring Canadian labour market (and other) standards *down* to (at least) the levels experienced by workers in the U.S. and Mexico. It is argued that such trading agreements constitute a part of Canada's structural adjustment program (SAP) for they augment capital's demands for a more 'disciplined' work force.

3.3 The Freedom of Capital Mobility: Competitive Impoverishment:

While "structural adjustment" is normally associated with events occurring in the LEACs, similar processes have been underway in the EACs as well.⁴¹ In Canada, however, there is no formal mechanism by which they are imposed, such as IMF or World Bank dictates. Instead, they have been imposed by successive national governments in their attempt to secure a work force that is competitive with those of other countries. Since at least 1984, the Canadian economy has been undergoing restructuring along classical SAP lines. This is particularly evident with the signing of two free trade agreements.

⁴¹ To all intents and purposes, the political sovereignty of the LEACs have been severely diminished as a result of "structural adjustment programs". Parallel governments, by-passing civil society, have been established by the IMF/World Bank and administered by financial "experts." Thus, SAPs can best be described as a process by which to re-colonize the LEACs. While the imposition of SAPs upon the LEACs is a major factor in facilitating further capital mobility from the EACs to the LEACs, the scope of the present study does not allow a full examination of the factors which led to such processes or the consequences of such policies for various LEACs.

Indeed, while the rights that most workers in Canada were able to secure in the twenty-or-so year period following World War II have faced serious encroachments, the rights of capital have been significantly enhanced. Many of these rights have, in fact, been *entrenched* in state policy through the signing of the 1989 Free Trade Agreement (FTA) between Canada and the U.S. and the 1994 North American Free Trade Agreement (NAFTA) between Canada, the U.S. and Mexico. With the goal of facilitating greater capital mobility, these agreements grant "unprecedented rights" to corporations, thus enhancing the class interests of capital (Cohen, 1994a). Flows of investment have, as a result, been greatly liberalized and corporations now receive national treatment (i.e. citizenship) in each other's markets.

The application of the concept of 'national treatment' to foreign investment and to services evident in Articles 301, 1102, 1202, 1405, 1703 of the NAFTA is a prime factor in strengthening capital. John Dillon argues that,

once a country concedes to foreign corporations "treatment no less favourable" than what it gives its own citizens, it can no longer screen foreign investments, specify the use of domestic inputs, require that its citizens have a stake in investments, make companies transfer technology needed for development, limit remittances of profits, or determine what products can be produced or sold only by domestic firms. In short, conceding national treatment in an investment code effectively robs a country of economic sovereignty (1991:17).

While this statement may overemphasize the economic sovereignty of Canadian governments prior to the signing of the two 'free' trade agreements, it remains true that the granting of citizenship rights to capital helps to further facilitate its increased mobility. Indeed, it can be said that provisions that deregulate the operations of capital lie at the centre of both free trade agreements.⁴² Critics of these

⁴² As Bruce Campbell has pointed out, provisions in the NAFTA include: "freedom from government-imposed performance requirements on foreign corporations (Articles 1106, 1107); freedom from discriminatory expropriation and adequate compensation for measures that interfere with their business in a way deemed tantamount to expropriation (Article 1110); freedom to move top

agreements have, thus, argued that they amount to a "corporate constitution" which gives capital greater powers (Robinson, 1991:1).

Proponents of the agreements argue that in order for Canada, and its workers, to "succeed" in a competitive environment, 'free' trade is both necessary and inevitable, for it will open up new markets for goods made in the country and in the process enhance employment opportunities. In examining some of the core assumptions of this view, however, fundamental flaws emerge in the argument that workers in Canada benefit from 'free' trade. On the contrary, following the signing of the FTA, there have been both decreased job opportunities and increased calls for further reductions in wage levels. Since the FTA came into effect there has also been a further eroding of collective bargaining rights and even more reductions in concrete benefits to workers. Indeed, such agreements have been used as a lever for further assaults on workers.

In fact, following the signing of these agreements business leaders have continued to argue for a "level playing field" between the signatories - a 'level playing field' on which to compete with capital operating where there are lower average wage standards and more politically oppressed labour forces but similar, and sometimes higher, productivity levels. The argument for a 'level-playing field' is one that wants to bring national standards down to lower levels - not one that seeks to raise standards of employment and living conditions. An indication that this is precisely the goal of

management, professional, and technical personnel around at will (Chapter 16); provisions ensuring compliance by sub-national governments (Article 105) extending into new areas of provincial jurisdiction, such as sanitary, phytosanitary, and technical standards (Chapters 7.9) and financial services (Chapter 14); entrenchment of their ownership of knowledge through extended periods of monopoly protection of patents and other intellectual property instruments [including expanding knowledge of plant and animal life forms as private property] (Chapter 17); freedom from encroachment on their turf by crown corporations (Articles 1502, 1503); powerful enforcement mechanisms ensuring the protections of corporate rights (e.g., Articles 1115-37, 1714-18); and a strengthened general nullification and impairment clause protecting against loss of rights or benefits caused by government measures unanticipated by the terms of this agreements (Annex 2004)" (1993:26-7).

employers is shown by Professor Donald MacCharles, a proponent of 'free' trade. He contends that,

the threat of job loss due to increased competition may make union-management relations more co-operative... With some luck governments will also respond and adapt their labour codes to allow for right-to-work laws and other measures which will reduce the high degree of rigidity in Canadian labour markets (as cited in Toronto Business, 1989).

In evaluating such claims, Elaine Bernard points out that, "free trade is at least as much of a domestic policy of disciplining labour at home as it is an external policy of economic relations among nations" (1992). Indeed, 'free' trade agreements cannot be said to be mainly about allowing nationally-based capital to sell goods to larger markets of consumers abroad.⁴³ Instead, 'free' trade is fundamentally about the elimination of all barriers to capital mobility and, thus, the opening up of *labour* markets for capital to freely enter and exploit cheaper and more politically subjugated work forces for the augmentation of their capital.

Indeed, for capitalists, much of the restructuring process has been precisely one of "cutting costs by moving to new locations, chang[ing] work organization within the community, and fragment[ing]the work process locally, regionally, nationally, and internationally" (Kolko, 1988:59). Free trade agreements, for much of the period under study, have become a central component of the operation of this corporate agenda in Canada. This is recognized by proponents of 'free' trade agreements in Canada, the U.S. and Mexico. The U.S. Congressional Office of Technology Assessment argues that "increasingly, employers will be able to use the threat of relocation to depress wages here [in the U.S.]" (1992:7). A Wall Street Journal survey found that of the 455 senior U.S. corporate executives surveyed, 25 percent admitted

⁴³ While the agreement was promoted by its proponents as a tariff agreement. Canadian exporters faced only an average tariff of about 1 percent on all exports and an average of 4 percent on exports on which duties were levied. Furthermore, 85 percent of exports were duty free prior to the signing of the FTA (Cameron and Watkins, 1993:xii).

that they would use NAFTA to erode wage standards for their work force (Campbell, 1993:34).

Clearly, what workers in Canada are being forced to compete with are workers in countries that have much lower (or no) environmental laws and standards, lower (if any) workplace health and safety standards, lower wages and benefits, lower (if any) labour laws and standards, less of a physical infrastructure, lower corporate tax rates, high capital subsidies and more repressive political environments.⁴⁴ Jean Swanson, President of the National Anti-Poverty Organization, has given a name to how this is affecting the lives of workers. She calls the process "competitive impoverishment," since workers in most countries end up with decreased living standards and weakened rights (1994).

It is clear that the greater mobility of capital in a world of grave inequalities regarding wage levels, employment standards, health and safety regulations and collective bargaining rights, leads to the erosion of gains made in the past and seriously jeopardizes possible future achievements for all workers.⁴⁵ It is argued that, "the corporations basically decide what gets produced, where and by whom...and workers in all three countries [of the NAFTA agreement] end up competing to offer the lowest wages and benefits" (Campbell:1992a:11). Indeed, in William Carroll's words, "trans-national capitalist production divides labour against itself while enabling the freest flow of capital" (1985:41).

⁴⁴ The average labour costs for employers are estimated at 98 cents per hour, including benefits (Sinclair, 1992:56). Furthermore, more than half of the population of 86 million people lives in poverty. More than 17 million live in conditions of extreme poverty and over 15 million are unemployed (Sinclair, 1992). There has been a massive increase in such conditions since the imposition of a "structural adjustment program" by the IMF. Between 1981 and 1988, Mexico's urban real minimum wage decreased by 46.4 percent (Beneria, 1992 as cited in Perspective, 1993:4).

⁴⁵ For example, after Mexico's economy was dramatically opened up (under duress from the IMF imposed structural adjustment program) real wages plummeted by over 50 percent (Campbell, 1993:23).

Access to labour markets that capital finds more 'attractive', in turn, place pressures upon all other labour markets to lower standards in order to remain competitive. Ironically, heightened competition has been used as a justification to break down further "barriers" to enhanced capital mobility. Business pundits in Canada, as within the OECD and the IMF, have identified the state's social expenditure and labour market policies as constituting 'barriers' to competitiveness. In the words of the chairperson of the Canadian Manufacturers' Association, "Canadian governments must test all their policies to determine whether or not they reinforce or impede competitiveness. If a policy is anti-competitive, dump it" (as cited in Oxfam Canada, 1992:12).

3.4 The Freedom to Starve: Canadian Labour Market Policy

Changes in Canadian labour market policy have occurred alongside a greater emphasis being placed on capital accumulation over concrete legitimization activities by the Canadian state. As made visible in the capitalist version of the GAI, attempts to ensure the fruition of a 'cheap labour strategy' entail, in part, the dismantling of boundaries between the welfare state and the labour market. Indeed, restructuring the labour market to make government policies compatible with state assurances of a profitable investment environment can be said to be a priority concern for many government departments.⁴⁶

There are at least four major elements to the country's labour market policy. They are: 1) programs designed to improve the functioning of the labour market, such as vocational counseling, job placement services and information on the availability of jobs; 2) the provision of UI; 3) programs to shape the demand for labour, such as

⁴⁶ Furthermore, such a shift in focus substantially reduces state expenditures in the area of social welfare programs, thus fitting with monetarist efforts to reduce the role of government (McBride, 1992:149).

direct job creation projects, wage and recruitment subsidies and; 4) programs designed to shape the supply of labour, such as mobility assistance, job training, basic skills development and immigration policy (McBride, 1992:118).

This last feature of labour market policy - the shaping of the labour supply - has gained greater importance throughout the period under study. Labour market training and "adjustment" policies have become part of the restructuring of social programs, both in the formulation of policy as well as in the legitimation for the dismantling of the social safety net for the unemployed.⁴⁷ In fact, programs representing concrete benefits to workers and acting as insulators from market forces, such as UI or the payment of social assistance through the Canada Assistance Plan, have increasingly been diverted to accomplish accumulation and ideological legitimation objectives. This is reflected, for instance, in the channeling of a growing percentage of training dollars from both these social welfare programs.

These changes have been made at a time when the unemployment rate in Canada has grown substantially.

⁴⁷ In the post-Keynesian era (1975-1984), increasing scrutiny was also given to domestic training and job creation efforts. While still espousing the need for a policy of full employment, post-Keynesians felt that supply-side policies, such as training and the relocation of workers from high to low unemployment areas would reduce pressures upon the demand side of the labour market. The "pressures" that were being removed were those which insulated workers to some extent from the operation of "free" markets.

Training was designed with a view towards taking some pressure off of the delegitimizing role that unemployment played. Such measures were to help ensure that "a rotating portion of the labour force would always be undergoing training" (McBride, 1992:119). As well, much of the training costs borne by the state translated into a "windfall subsidy" for employers. Over 50 percent reported that they would have trained workers without state support if necessary (McBride, 1992:133).

Table 3.1
Unemployment Rate, Canada, both sexes, 15 years and over

Year	Unemployment Rate (%)	Year	Unemployment Rate (%)
1973	5.5	1984	11.3
1974	5.3	1985	10.5
1975	6.9	1986	9.6
1976	7.1	1987	8.9
1977	8.1	1988	7.8
1978	8.3	1989	7.5
1979	7.4	1990	8.1
1980	7.5	1991	10.3
1981	7.5	1992	11.3
1982	11.0	1993	11.2
1983	11.9		

Source: Statistics Canada, Historical Labour Force Statistics: 1994

As seen by Table 3.1, from an average rate of 5.5 percent in 1973, the percentage of those "officially" unemployed in Canada peaked at 11.9 percent in 1983 and remained high at 11.2 percent in 1993.⁴⁸ By 1993, over 1.5 million workers were unemployed. During the recession of the mid-1980s in Canada, the average duration of unemployment was over 20 weeks (McBride, 1992:6). The highest rates of unemployment are those for youth (those aged 15 to 19 years). For this group, the unemployment rate was 12.2 percent in 1973, 22.2 percent in 1983 and 19.9 in 1993 (Canada, 1994).

These figures indicate that not only unemployment rates but the types and length of unemployment is also increasing. The IMF recognizes this change in the character of unemployment by stating:

⁴⁸ There are several categories of unemployed workers who are not considered "unemployed" by the government. These are workers who have stopped looking for work because they believe that none exist, women who are not in the paid labour force because adequate day care facilities do not exist, those who participate in government-sponsored training programs and students (see Gonick, 1978:118-123 as cited in McBride, 1992:4). Including such categories of people would, undoubtedly, raise the unemployment rate significantly.

in general, some of the largest increases in joblessness...have been among groups whose unemployment rates previously had been low and stable... The range of occupations seriously affected by unemployment has also broadened...and the average duration of unemployment has lengthened considerably (1983b:302).

Increases in unemployment reflect, in part, government policies on full employment (McBride, 1992).⁴⁹ While this goal constituted official government policy during the Keynesian era, it was subordinated to the "war" against inflation when the post-Keynesian paradigm dominated and was completely foregone in the monetarist regime.⁵⁰ In Canada, the elimination of the goal of full employment is captured by an Economic Council of Canada recommendation to the Mac Donald Commission. It states that "measures to reduce unemployment should focus on facilitating rapid job search and increased job holding, rather than on increasing the number of available jobs" (as cited in Swanson, 1994).

Again, as with other recommendations adopted by the MacDonald Commission, the government has followed by re-directing its labour market policy. Eschewing meaningful job creation strategies, government policy has instead focused on lessening the provisions of the UI system during the period of study. In Swanson's words,

in short, the whole focus of the ... "reform" of social programs is to create more cheap Canadian labour to fit into the free trade environment where corporations are free to move where labour is cheapest and taxes are lowest. How to get corporations to move here [to Canada]? Keep wages low, reduce or end employers' UI premiums, cut UI and welfare so people are desperate for low wage work, and get taxpayers to supplement corporations that pay inadequate wages (1994:30).

⁴⁹ The goal of full employment in the Keynesian era, however, was really designed to ensure that there was not involuntary unemployment for males - largely white males (see Armstrong and Armstrong, 1988:68). It was not conceived as a policy which would effect women's paid employment or that of people of colour in the country.

⁵⁰ In fact, monetarists, such as those within the IMF, attributed the inflation of the 1970s to the "achievements and maintenance of unduly low unemployment rates" (IMF, 1980:9).

As concrete benefits continue to decline, ideological means by which to gain consensus for such change have been intensified. Neo-conservative economists provide much of the theoretical underpinnings for this assault. Aspersions are continuously cast on the character of those unemployed. Three main themes emerge within such rhetoric. They are that: the "generosity" of UI entitlements lead to greater unemployment; UI encourages longer than 'normal' periods of job search and; UI encourages more people than 'usual' to enter the paid labour force in search of jobs so that they can later qualify for UI benefits.

As Derek Robinson notes, one economist has gone as far as stating that UI recipients are "work shy scroungers" (as cited in McBride, 1992:162). Indeed, barely a month into the new Mulroney government, Finance Minister Michael Wilson, reflecting past OECD and IMF statements regarding UI programs, declared that, "in its present form the unemployment insurance program may create obstacles to labour market adjustment and to economic growth and investment... It may create disincentives to job search and...encourage individuals to work just long enough to qualify for benefits" (as cited in ECEJ, 1993:18).

Clearly, policies informed by monetarist ideology have been largely designed to ensure the "efficient" adjustment of workers to the demands of employers. There has, thus, been a notable shift in state programming from the needs of workers, especially those unemployed, to those of employers. As a result, qualification periods for UI have been raised significantly, qualification requirements have become more restrictive, benefit rates have been reduced, employees' premiums have been raised, employers' premiums have been reduced,⁵¹ penalties for quitting "voluntarily" or being dismissed without "just" cause have become harsher and as government contributions decline, UI

⁵¹ In 1995, employers' UI premiums will be reduced from \$4.62 to \$4.20 per \$100 of payroll (ECEJ, 1994:4).

funds have been channeled into training courses, special job-creation schemes or to approved work-sharing projects, thus, diverting funds from their intended purpose of providing insurance to unemployed workers.⁵²

Since 1971, the high point of coverage for workers, when almost all (96 percent) of the unemployed were eligible for UI and benefit payments covered 66 2/3 percent (75 percent for those with dependents) of insurable earnings, erosions have continuously been made resulting in the reduction of concrete benefits. By 1993, only 58 percent of the unemployed remain eligible for UI (a 38 percent reduction since 1971), benefits have shrunk to only 57 percent of insurable earnings and are denied *all together* to those who quit 'voluntarily' or are fired with 'just' cause (Woman to Woman Global Strategies, 1993:8). The burden of proof for arguing that an employee has been forced to quit or has been fired due to the actions of the employer now lies with the worker.

Thus, along with increased insecurity for workers, changes wrought under the monetarist regime have vastly augmented the power of employers and weakened that of workers. UI has become more and more integrated into state labour market policy and overall strategies aimed at capital accumulation and more and more coercive measures have been successively adopted by the state.⁵³

Panitch and Swartz, in examining the role of the state in its move 'from consent to coercion', have argued that the period under study, "...marks a return, albeit under

⁵² As McBride points out, "Trainees would in effect pay for their own training by drawing from their benefit-period entitlement" (1992:175). Indeed, about 70 percent of the developmental expenditures of UI have gone towards training schemes (McBride, 1992:180).

⁵³ For example, following 1975, claimants were required to register with Canada Manpower [sic] Centres (CMCs) where they were made to undergo interviews, counseling and training courses. Officials were also given greater latitude in disqualifying applicants. The coercive intent of the new changes are reflected in the following figures: of the over 400,000 claimants to went through CMC in 1975, only 8 percent were placed in jobs, less than 1 percent went through training while over 30 percent (150,000 people) were disqualified from receiving UI benefits by officials who felt they were not actively seeking employment or had declined "suitable" jobs (Hansard, 1975:8569 as cited in McBride, 1992:172).

quite different conditions, to the state and capital relying more openly on coercion - on force and fear - to secure ~~[the] subordination~~ [of labour]" (1993:5) They add, however, that

this is *not* to suggest that coercion was in any sense absent from the post-war era or that coercion is about to become the only, or even always the dominant, factor in labour relations. But there *is* a changing conjuncture in the Canadian political economy, and it marks a change in the form in which coercion and consent are related to one another, a change significant enough to demarcate a new era (1993:5, emphasis in original)

It is within this context that the Department of Employment and Immigration was established in 1977. Its purpose was to allow the government to link the functioning of the Canada Employment and Immigration Commission with its larger economic and social policies. Thus, with the advent of the post-Keynesian era, the government moved both the UI program and its immigration policies more clearly into line with the objective of ensuring capital accumulation through more and more coercive measures. Regressive changes to the funding of UI, the heightened monitoring of claimants and the Non-Immigrant Employment Authorization Program have, thus, been simultaneous developments.

3.5 The Unfreedom of Foreign Workers: Immigration Policy as a Coercive Labour Market Tool

Unemployment is a serious social and economic problem in Canada. It is also important to note that high unemployment rates in Canada are a part of the global crisis of joblessness. According to the International Labour Organization (ILO), there are 770 million people unemployed in the LEACs (1985:44). The OECD's 1994 *Jobs Study* report, finds another 35 million people unemployed in its 25 member countries

with a further 15 million people working in involuntary part-time positions.⁵⁴ This leaves approximately one-fifth of the world's population without paid employment.⁵⁵

Thus, a large reserve army of labour exists throughout the world. However, most theorists who have understood the importance of this fact have done so only in regards the movement of production to sites abroad. Further, it has been assumed that the growing mobility of capital has lessened, if not eradicated, the need for the large-scale movement of living labour. Little attention has been paid, therefore, to the study of *heightened* labour mobility.

Not surprisingly, then, immigration policy, historically used to shape both the supply and characteristics of the Canadian labour force, has been largely left out of the analysis of restructuring strategies in the country. Yet, it has been used as a major labour market tool to affect the rights and working conditions of workers - both foreign and domestic. Since the beginning of the recent crisis in capitalist accumulation, Canada's immigration policies have been designed to play a significant role in shaping the available labour supply in the country.

Indeed, during the period under study, immigration policy has played more of a role in acquiring both a skilled labour force *and* captive workers than have government initiatives regarding the domestic labour force. While attempting to lower Canadian working standards and wages, the state, throughout the period under study, has

⁵⁴ The OECD concluded that by 1983 the problem of unemployment had reached the point where for the EAC countries alone, "20,000 extra jobs [would] be required every day [over 15 million] during the last five years of the decade if unemployment was to be cut back to its 1979 level of 19 million" (OECD report as cited in Kolko, 1988:334). Clearly this was not accomplished. Indeed, the problem became much more chronic. Hence, by 1988, over 35 million people in the OECD member countries were unemployed.

⁵⁵ It would be very useful to have the number of people actively in the paid labour market or looking for paid work, however, this figure is unavailable. If it were, the percentage of the world's working population out of work would increase substantially. Instead, we are left to rely on tabulating the number of unemployed from the entire world population figure, which includes people not a part of the paid labour market, such as peasants who subsist on farming, women doing unpaid work in the home, children not working, etcetera.

increasingly relied on workers from those countries that capital has found more 'attractive' to work within Canada under conditions currently not suffered by the domestic work force. Increased capital mobility, then, instead of eradicating the need for large scale movements of people, has actually created pressures for precisely such a movement.

Not only have "...foreign workers provide[d] a solution to the problem of rising labour costs by expanding the industrial reserve army across national boundaries," the state has also placed severe restrictions upon their rights and the protections available to them so they are further weakened once in the country (1988:225). Thus, for both transnationals who place pressures upon governments to offer ever cheaper work forces *and* smaller firms who, because of the nature of their operations are unable to go abroad to tap into sources of cheap labour, immigration policy has played an important role in creating an internationally competitive labour force within Canada.

Canadian immigration policy currently has two main ways of admitting foreign workers to the country. The "points" system, implemented in 1967, is designed to acquire highly specialized and technically trained workers, this program saves the state substantially on the costs of producing this labour force internally.⁵⁶ Educational and technical qualifications are emphasized. "Landed" immigrants, those admitted as permanent residents, are selected on the basis of 'points' they earn in areas, such as

⁵⁶ Prior to 1967, immigrants could be barred from entering the country on the basis of nationality, citizenship, ethnic group membership, occupation, class and geographic area of origin. This discrimination was enshrined in the 1952 amendments to the Immigration Act and was largely designed to exclude people of colour. The 1967 "points system" was partly a recognition that highly skilled immigrants from the 'traditional' source countries had less of an impetus to emigrate to Canada since the economies of northwestern Europe were also in much need of their skills. Canada, thus, sought skilled workers from the LEACs.

age, skill, knowledge of either two official languages, 'adaptability', education and occupational demand (Bolaria and Li, 1988).⁵⁷

However, since 1973, the government has declared that this supply of foreign labour is not sufficient. Such claims are supported by employers who argue that there are particular "shortages" within the labour market that can not be filled by admitting foreign workers as permanent residents (Marr, 1977). Workers from abroad continue to be sought, however, they face restrictions that landed immigrants (or citizens) do not - namely they are forced to work as unfree wage labour. It is argued, then, that these 'shortages', are not quantitatively defined.

Instead, it is argued that despite high rates of unemployment and decreasing social welfare entitlements, employers have not been able to sufficiently "discipline" a large part of their work force to the extent that they are truly competitive with workers in the LEACs. Canada, then, continues to face a shortage of the *type* of work force that capital currently finds 'attractive' to employ. International price differentials for workers and disparities in relation to workers' rights have contributed to a *qualitative* shortage of particular kinds of workers in Canada. As the domestic labour force has been weakened, the state has been able to impose conditions of unfreedom upon foreign workers.

Unfree conditions on the sale of labour have been introduced through the Non-Immigrant Employment Authorization Program. While the points system is still in use, the majority of foreign workers are admitted to Canada under 'temporary' employment authorizations. Under the provisions of these authorizations, a captive, rotating, work

⁵⁷ During the late 1960s, these changes allowed the government to acquire a trained labour force, a rising proportion from the LEACs, for the rapid industrial development experienced in Canada. According to a United Nations study, the savings achieved by the Canadian state in acquiring this skilled labour force through immigration rather than through domestic labour market policies is estimated to be equivalent to \$11.4 billion (CDN) for those workers recruited from the LEACs alone. This is the cost that these countries would have to pay to replace the workers lost to Canada (as cited in Law Union of Ontario, 1981:43).

force, made to work under unfree conditions, is ensured.⁵⁸ This program, thus, ties immigration policy even closer to labour market policy and allows the government to shape the supply of foreign labour more directly than it is able to do through the 'points' system.⁵⁹ It has been argued that the temporary visa program is designed to reduce the much spoken of "rigidities" within the Canadian labour market, for it helps to further reduce "pressures" upon the demand side of the labour market (Bolaria and Li, 1988).

One of these 'rigidities' has been the lack of worker mobility within the country or, in other words, the reluctance of unemployed workers to continuously migrate throughout the country in search of work. Even though changes within UI regulations at this time have also been designed to coerce workers to leave communities of high unemployment, the state has resorted to the implementation of unfree conditions upon foreign workers in order to force them to work within particular industries, within particular geographical sites, for particular employers, at particular jobs and for a pre-stipulated period of time. Afterwards, these workers are forced to leave the country.⁶⁰

Workers recruited under this program have little, or no, protection from 'free' market forces. Employers are given access to workers who are unable to enter the labour market to negotiate either their wages or working conditions. These workers are also much less insulated from 'free' market pressures since they have little, or no, *de facto* recourse to social welfare programs. In fact, it can be argued that the wage rates, quality of working conditions, lack of access to social programs and severely decreased bargaining power faced by temporary visa workers in Canada is a *model* for the type of work force sought after by those espousing the neo-conservative agenda.

⁵⁸ See chapter two of the present study for a more detailed discussion of unfree labour.

⁵⁹ In 1976 the Canada Employment and Immigration Commission (CEIC) was created. thus, ensuring that the responsibility for immigration was tied directly to labour-market services. unemployment insurance. job creation schemes and training.

⁶⁰ See chapter four of the present study for a more detailed discussion of this program.

It is of no small import that the state has been able to use its coercive power against foreign workers to a much greater degree than towards its own citizens. Through the use of coercive methods, including indenturing foreign workers to their employers, the state has used immigration policy to help facilitate an increase in power for employers, further weaken the strength of workers and save itself substantial costs of reproducing this part of the work force. Indeed, while the freedom of capital mobility has been enshrined through the granting of citizenship rights in Canada, more and more foreign workers in the country have had such rights denied them in an effort to enhance the state's ability to attract capital investment.

Given that many of the policies followed by successive Canadian governments have served to push other workers towards the weakened situation experienced by temporary visa workers, it is reasonable to assume that the Non-immigrant Employment Authorization Program places additional downward pressures upon the remainder of the Canadian work force to become competitive with unfree wage labour in the country. This program, therefore, deserves to be highlighted, for it creates within Canada, a large pocket of workers who work under conditions unknown to the remainder of the work force. While workers in Canada increasingly compete with workers in lower-wage countries, Canadian immigration policy is used to bring workers to Canada who are made to work in conditions similar to those existing in the very countries that capital currently finds more attractive.

3.6 Summary

As the shift from Keynesian to post-Keynesian to monetarist paradigms has occurred, the Canadian state has placed increasing emphasis upon the accumulation demands of capital at the expense of real benefits to workers in the country. Along with these shifts, the state has moved away from the use of concrete legitimation strategies to gain consensus for capitalist social relations towards the use of ideologies

of 'free' enterprise, 'free' trade and 'free markets'. Such notions, and the changes in the balance of class power they seek to establish, have increasingly taken centre stage in shaping Canadian state policy in the years presently under study (1973-1993). The hegemonic project of both capital and the state during this time has centred around gaining wide-spread support for the weakening of workers in order to benefit the operations of capital made increasingly international.

To date, capital has been successful in shifting the debate on the definition of social priorities. Unemployment, poverty, the collective rights of workers and, ultimately, equality, have been cast as less important than the issues of creating 'free' markets and enhancing the power of capital. Through cutbacks in social welfare expenditures, attacks on both the individual and collective bargaining rights of workers, the elimination of the goal of full employment, the creation of a revenue crisis and the creation and expansion of unfree wage labour, the Canadian state has played a considerable role in affording capital more power in its negotiations not only with workers but with future policy makers as well.

Such policies reflect the goals of international organizations, such as the OECD and the IMF. Indeed, many of the negative changes that workers have experienced have been promoted by such groups and together can be considered a part of Canada's own "cheap labour strategy". The goal is to enhance the "comparative advantage" of the Canadian state within the world market for labour power. The desired end result is the cheapening of workers labour power and the elimination of options to paid employment. As a result of state policies, there has been an increase in competition between workers - within the confines of the nation-state, as well as expanding the reserve army of labour to encompass virtually the entire world.

Indeed, such aims are reflected in all of the major social and economic policy areas in Canada in the period 1973 to 1993. Programs designed to shape both the

supply of labour and the characteristics of the labour force have increasingly gained significance. Changes in UI benefits and regulations have pushed more workers into competition for an ever decreasing number of full-time jobs. Through mandatory and 'voluntary' training and re-training schemes, more workers are also forced to compete for employment that remains elusive. Meanwhile, UI provisions have faced serious erosion and by 1993 over 40 percent of the unemployed no longer qualified for entitlements for one reason or another. All of these measures place much more power in the hands of capital.

Furthermore, the other main area of labour market policy - immigration, has been used by successive governments to shape the supply of labour available to capital. Through the implementation of the 1967 "points" system, employers have gained access to a highly-trained and technically specialized foreign work force. Also, through the creation of the Non-immigrant Employment Authorization Program in 1973, employers have had increasingly easy access to workers who enter the country on temporary employment visas and are forced, through government policy, to work as unfree wage labour in Canada.

All such labour market policies result in ensuring the "adjustment" of workers in Canada to the demands of employers. These demands have taken added significance in Canada since 1973 as a result of the ever increasing mobility of capital. Capital, no longer bound by national borders, has been successful in institutionalizing *its* freedom through both the Free Trade Agreement with the U.S. signed in 1989 and the North American Free Trade Agreement of 1994. Both agreements help to further undermine the ability of Canadian governments to develop policies that would supersede market decisions. Indeed, provisions that deregulate the operations of capital lie at the very heart of both agreements.

Such changes have not represented a benefit to either the domestic or the foreign labour force in the country. Real wages have declined, poverty has increased, joblessness has soared and purchasing power has been eroded. However the 'freedom' of capital mobility has not ended the search for foreign labour power in Canada. Instead, more and more immigrant workers have faced direct constraints upon their freedom. This leads us to ask what the 'freedom' so heralded in Canada over the last two decades has meant for workers in the country.

Far from enhancing the choices available to workers, their choices have been seriously eroded. Workers throughout this time period have faced increased unemployment, decreased security when unemployed and a greater monitoring of their activities when jobless. Most foreign workers have found that to gain entry into the country, they are forced to leave their freedom behind. Indeed, the operation of the 'free' market is dependent upon the "unfreedom" of many workers. It appears, therefore, that freedom is increasingly the monopoly of capital.

4. Land of the Unfree

4.1 Introduction

Throughout the period under study, capital has enjoyed a growing level of freedom in its ability to demand concessions from both labour and the state. A large part of its freedom is derived from its ability to access a greater number and variety of labour markets around the world. One response by individual nation states to increased competition for capital investment has been to weaken and cheapen the supply of labour available in their territories. In Canada, attempts of this sort are apparent in all of the government's macroeconomic and labour market policies, including the state's policies on immigration.

The greater mobility rights exercised by capital have created the conditions by which the employment of workers from abroad becomes increasingly attractive to local employers as well as to state officials attempting to restore investment within the country. Foreign workers are seen as an alternative to employing members of the domestic labour force not because there is an actual shortage of labour in Canada but because the state is better able to regulate and restrict the conditions by which foreign workers sell their labour power. Indeed, as pointed out by Maria Patricia Fernandez-Kelly, "investors choose to move operations to less developed regions for strategic reasons similar to those that lead them to employ immigrants in their home territories: the two are countervailing options" (1989b:152).

Since 1973, with the introduction of the Non-Immigrant Employment Authorization Program, the Canadian state has imposed conditions of unfreedom upon the majority of foreign workers as a condition of entry to the country. The use of unfree wage labour continues to be a pervasive and integral component of capitalist labour markets since it is a means of both furthering the accumulation project of capital as well as a mechanism of social control against workers. Thus, the state's

immigration policies have been a useful means of achieving the goal of a more politically subjugated labour force, since it is able to directly shape the employment experiences of most foreign workers once in Canada.

Several findings of the present chapter support the thesis that far from disappearing, the use of unfree wage labour is expanding in Canada, as throughout the world. The present chapter moves from examining the growing institutionalization of unfree contract labour migration within the world market for labour power to studying various facets of the unfree labour recruitment component of the Non-Immigrant Employment Authorization Program in Canada.

Through a refinement of previously published data plus the presentation of hitherto unpublished information on the operation of this program, we see that there is an increasing permanence to the employment of unfree temporary visa workers in Canada. Both the numbers and proportion of foreign workers made to work under conditions of unfreedom have grown significantly throughout the 20 years under study. Reflecting its diversified use as well as mirroring the segregated labour market existing in Canada, it is further shown that the Non-Immigrant Employment Authorization Program streams both women and workers from less economically advanced countries (LEACs) into subordinate occupational categories.

It is argued that the continuation of the program rests upon the differentiation in rights and options available to temporary workers in comparison to others in Canada. In order to better situate the labour market position of unfree, temporary visa workers, contrasts are made with foreign workers admitted with permanent residency rights. To understand the importance of the Non-Immigrant Employment Authorization Program to the recruitment of foreign labour, comparisons are also made between the numbers of foreigners admitted as permanent residents who intend

to enter the labour market, particularly within the "independent" category, with those admitted under the unfree conditions stipulated on their temporary work visas.

As will become evident below, workers admitted under the Non-Immigrant Employment Authorization Program form a separated pool of labour in Canada since they are denied the mobility rights available to other workers. Legitimation for their differential treatment is based upon the employment of existing ideologies embedded within Canadian society that sanction their exclusion from citizenship or permanent residency rights. In the end, it is seen that the increased supply of migrant workers within the world market for labour power as well as the growing assaults against the rights of workers in almost every country in the world combine to form a buyer's market for the use of unfree contract labour in Canada.

As such, it is argued that unfree wage labour has been introduced to Canada in order to enhance the country's "comparative advantage" within the world market for labour power and contribute to Canada's own cheap labour strategy. While not only a labour recruitment program, the Non-Immigrant Employment Authorization Program is able to achieve these purposes because it has created a group of workers who, through legislative means, have largely been denied the ability to organize, denied the ability to defend their own interests, denied access to social programs which would give them an alternative to the exploitative work conditions many are employed under, and, through the government's rendering of the program as virtually invisible, the denial of a voice.

4.2 The Growing Institutionalization of Contract Labour Migration

There is a growing institutionalization of the international migration of unfree contract labour. Contrary to some thinkers, it is growing in both numbers and scope (Storper and Walker, 1983). Hassan Gardezi indicates that of the approximately 100 million people migrating in search of employment, both nationally and internationally,

at least one-third are moving as unfree contract labour (1995:2). This becomes apparent when reviewing recent migration patterns and when examining countries that rely on remittances and therefore encourage the sending of unfree contract labour abroad in ever increasing numbers. Five main trends are discernible within the contemporary world market for labour power.

The first migration pattern is the large-scale movement of unfree contract workers from the less economically advanced countries (LEACs) to the oil-exporting countries in the Persian Gulf region. Since the early to mid-1970s, Gulf States have been importing large numbers of workers for construction projects and service industries. By 1985, it was estimated that out of the approximately 7.2 million foreign residents in these countries, 5.1 million, or *over 70 percent*, were unfree contract workers (Withers, 1994:315).

Importantly, the use of unfree contract workers has increasingly become a factor in the movement of capital itself. In his study of unfree wage workers in the Gulf States, Hassan Gardezi argues that many times,

foreign contracting multinationals bring their own workers for the duration of the projects they undertake. The project sites are turned into isolated, self-contained labour camps where the foreign firms take charge of everything from providing for the daily needs of the workers to policing and final repatriation of the work force upon completion of the project. In order to maximize the extraction of surplus value, the contracting firms strictly enforce their own wage rates, working hours, production quotas, and rotation of workers without outside interference (1995:36-7).

South Korean industries have been among the pioneers of this method. It has been employed by them in the Gulf states since the mid-1970s (Gardezi, 1995:36). Indeed, the massive growth experienced by South Korea in the 1970s was aided by the repatriation of profits gained from the use of South Korean workers under conditions of unfreedom *abroad*. In 1979 alone, there were 68 South Korean companies and

93,000 South Korean workers employed in civil construction contracts just in Saudi Arabia (Vogel, 1991:62). Large transnational corporations, such as Hyundai, Daelim and Dong Ah experienced massive growth partly *because* of their ability to accumulate capital in Middle Eastern construction companies using South Korean contract labour (Vogel, 1991:63).

This, in turn, helped to expand the industrial base of South Korea. Indeed, it is estimated that, collectively, billions of dollars (US) in foreign exchange were generated from this strategy (Vogel, 1991:63). Importantly, South Korea is emerging as a significant labour *importer* as other Asian countries send workers there in an attempt to duplicate South Korea's strategy of obtaining a large industrial base.⁶¹ However, it remains a major source country *for* migrant labour, especially to the U.S., with which it has had close links since the Korean War.

The second trend consists of intra-regional migration within particular nation-states. This is occurring in both the economically advanced countries (EACs) and the LEACs. For example, the United States is currently experiencing a pattern of labour mobility whereby workers migrate to underdeveloped regions within the country in response to the relocation of capital to where labour legislation and minimum wage rates are the least developed or where there is a substantial supply of foreign labour (Fernandez-Kelly, 1989; Sassen, 1988).⁶² Also, those LEACs which receive substantial amounts of direct foreign investment (in both agricultural and manufacturing

⁶¹ The duplication of any one strategy across nation-states is rarely successful because the conjuncture of events rarely are the same in any two countries. For example, it is clear that South Korean industries were aided substantially by their involvement in the Vietnam war. South Koreans companies were able to land contracts from the U.S. army for construction work and repatriate the profits to the building of South Korea's industrial base. This, in turn, put them in a favourable position to be a powerful player in international bidding (Vogel, 1991).

⁶² A good example of this is the flow of workers from the northern to the southern states of the US where industry is increasingly relocating due to more regressive labour legislation and cheaper average wage levels than those in the north. This does not appear to be occurring in Canada to date, however, given the scope of the present study, it will not be possible to examine the precise movement of labour *within* Canada.

industries) continue to experience a rural to urban migration. This migration is directed away from agricultural to manufacturing investments as small land holders and subsistence farmers experience a process by which they are forced to seek waged employment (Lim, 1983; Aguiar, 1983).

It is not possible to say with any certainty how many of these workers are employed as unfree workers (waged or otherwise) as this is a much understudied phenomenon. However, reports from human rights monitors show that unfree forms of exploiting labour power, including slavery but increasingly bonded and other forced, unfree wage labour, are growing in both rural and urban locations throughout the world (Gardezi, 1995:51).

The third type of migration occurs between the LEACs. This is not a new movement of peoples. Rather, it has been an accompanying feature of capitalist colonization as people have been forced to withdraw from subsistence and complementary activities with the appropriation of their lands and other means of production (Withers, 1994). Indeed, it can be seen as an extension of the rural to urban migration of workers described above. The migration of workers between countries at different levels of industrial development within the broader categorization of LEACs is increasing as investment capital flows into some of these countries.

Such flows have resulted in creating pressures for large numbers of workers to move between countries within Africa, Asia and the Americas in search of employment (Sassen, 1988; 1993). The vast majority of this movement of workers takes the form of unfree contract labour (Connell, 1993; Gardezi, 1995). In this migration pattern, it is estimated that, like those workers traveling to the Gulf States, approximately 70 percent work as unfree contract labour (Lycklama a Nijeholt, 1994:4-10).

This movement of capital has also resulted in people from the LEACs moving to the EACs (Sassen, 1988). This is the fourth type of migration pattern visible within

the world market for labour power. It too can be seen as a continuation of the colonization process since the draining of the resources and labour power of the LEACs has for centuries prevented these countries from developing and has substantially aided the profitability of capital utilizing their labour power (Potts, 1990:157, 203).

Yet, new conditions for the movement of workers have emerged since the 1960s. A relationship is discernible between those countries that send large amounts of direct foreign investment, particularly in export-oriented manufacturing, and those which are the recipients (Sassen, 1988). For instance, Saskia Sassen, in her ground breaking examination of the relationship between capital and labour mobility in forming migration patterns to the United States, shows that "the main migrant-sending countries to the U.S. over the last fifteen years all have received large export-oriented foreign investment" (1988:15).

This finding has led Sassen to argue that, "the specificity of labor migration in the current historical period lies not in...general conditions or individual motivations but in its articulation with the internationalization of production, a dynamic which assumes concrete forms in particular locations" (1988:17). Along with increased direct investment flows into the LEACs, both the United States and Canada have experienced a marked transformation in the source countries of immigrants.

Until the mid to late-1960s, people of various European nationalities dominated immigration trends. Following this period, however, Europe's share in 1985 shrunk to one-ninth of all immigration in the U.S. and one-fifth of immigration in Canada (Sassen, 1988:62; EIC, 1986:12). At the same time, direct foreign investment to the LEACs from the U.S. increased from approximately \$3.5 billion (U.S.) in 1950 to over \$8.8 billion in 1966 to over 16.8 billion in 1973 to an astounding \$42.4 billion in 1980 (Sassen, Table 4.3: 101). Indeed, in the period of 1973 to 1980, there was an

average annual growth rate of 14.2 percent in direct foreign investment from the U.S. to the LEACs (Sassen, Table 4.3:101). Sassen argues that increased direct foreign investment into Asia, Latin America and the Caribbean has contributed to a large growth in immigration from these countries. Indeed, the top ten source countries for immigrants to the U.S. are located within these regions.

This pattern holds true for Canada. Reflecting global trends, private direct investment capital from Canada has increased dramatically since the early to mid-1970s. This has been of special significance for flows of investment into the LEACs. Over the period 1973 to 1977, Canadian direct investment in these countries increased by over 70 percent (Statistics Canada, 1981). According to an Organization for Economic Co-operation and Development (OECD) study, the share of total Canadian direct investment flows allocated to the LEACs increased from only 17 percent in 1970 to 61 percent by 1975 (as cited in Veltmeyer, 1983:136). It further increased by over \$1 billion (US) in the 5 year period between 1975 and 1980 (Tomlinson, 1991:43). By 1980, Statistics Canada reported that there was an outflow of over \$8.8 billion (US) in direct investment. By 1983, Canada ranked as the sixth largest foreign investor in the world (Veltmeyer, 1983:138).

Most Canadian investment in the LEACs is concentrated in Latin America and the Caribbean. In 1977, for instance, Latin American and Caribbean countries together received over \$2.5 billion in Canadian investment or approximately 79 percent of all Canadian investment in the LEACs (Veltmeyer, 1983:137). However, Canadian investment is increasingly directed towards various Asian countries. Between 1980 and 1985, almost all growth in Canadian investment in the LEACs was accounted for by Asian countries (Tomlinson, 1991:42). Not surprisingly, then, many of the countries sending both free and unfree wage workers to Canada are within these regions.

China and the Philippines, two countries currently receiving large amounts of foreign investment from Canada, are also the two largest source countries for foreign unfree wage workers arriving in Canada from Asia in 1993 (CIC, 1995). Indeed, in 1993, the number of workers arriving from Mainland China and the Philippines outnumbered the entire total of temporary visa workers arriving from both Latin America and the Caribbean. Workers from these two countries also outnumbered the total of workers arriving from either Europe or the United States (CIC, 1995). In 1993, 17,489 unfree wage workers employed under the Non-Immigrant Employment Authorization Program arrived from the Philippines while 11,216 workers arrived from China (CIC, 1995). It is of interest to note that in that year the Philippines ranked as the number one source country sending landed immigrants (able to work as free wage workers) as well. In that year 6,215 persons arrived from this country (CIC, 1994b). However, of all people admitted to Canada as workers from the Philippines, 74 percent entered through the Non-Immigrant Employment Authorization Program to work as unfree wage workers (CIC, 1995).

The fifth migration pattern visible in the current world market for labour power consists of the movement of people between EACs. This is also comprised largely of migration between countries at different levels of capitalist development. Indeed, this migration pattern, always a component of capitalist development, is increasingly evident between the EACs and all other countries (Withers, 1994). In Canada, although significant in the numbers of unfree workers employed in non-professional occupations, this pattern includes the movement of the vast majority of professionals who enter the country to work.

In Canada, the single largest source country for professionals employed under temporary work visas is the United States (CIC, 1995). This fact is particularly noteworthy in regards to those entering the country as managers and administrators.

For every year of the present study, anywhere from 55 to 70 percent of all managers and administrators entering Canada were doing so from the USA (CIC, 1995). It may be of import to note that following the signing of the Free Trade Agreement between Canada and the U.S., both the number and proportion of total managers and administrators arriving from the U.S. reached its high point of 70 percent in 1993 (CIC, 1995). The remainder of people within this occupational category are largely from other EACs.

Many workers entering Canada under temporary employment authorizations to work within professional occupations, however, are employed in jobs that are the least attractive to the domestic work force. Indeed, managers and administrators account for usually less than 25 percent of all professionals entering Canada under temporary employment authorizations (CIC, 1995). While much more work is needed in this area, we know that some professionals entering Canada, such as doctors, are employed in those parts of the professions that have experienced the greatest degree of proletarianization. Their jobs are normally the least remunerated within their occupational categories and they are often made to work in parts of the country that the domestic work force does not find 'attractive' (Bolaria, 1992). These areas coincide with those jobs with the least pay and the least opportunities for career advancement.

Other than for those who travel the world to manage the operations of capitalist enterprises, Rita Raj-Hashim has found that for sending countries, "...migration policies reflect measures to relieve unemployment and underemployment, augment foreign exchange through remittances [and] increase national per capita income" (1994:119). Connell adds that the out-migration of large numbers of people is also seen as a "...possible means of reducing social unrest" (1993:44).

Of these reasons for out-migration, it appears that the one with the greatest international component - remittances - which are used by workers to augment family

income and by sending states as an attempt to reduce international balance of payment deficits, is the most important. In this context, "when a woman [or man] from Mexico, Jamaica, or the Philippines decides to emigrate in order to make money...she is designing her own international debt politics" (Enloe, 1989:29). Indeed, the volume of such remittances can be seen in itself as, "the principal explanation for migration at individual, household and national levels" (Connell, 1993:44).

Remittances make up a substantial component of the gross domestic product (GDP) of many sending countries. In 1988 remittances were equivalent to more than 58 percent of exports in Bangladesh, more than 20 percent in Pakistan, Sri Lanka and India, and 14 percent in the Philippines (Connell, 1993:45). The Philippines, one of the largest source countries for migrant workers to Canada, annually receives more than \$2.5 billion (US) in remittances from its 3.5 million migrant workers (Philippine Women's Centre (PWC), 1995). In fact, remittances sent to the Philippines are the country's top foreign exchange earner, outweighing sugar cane or coconut, once top export dollar earners.

At a national level, it is clear that the governments of sending countries are increasingly unwilling to jeopardize the monies received from remittances by making moves that would ensure their workers' rights abroad. For instance, in 1988 the Aquino government of the Philippines, alarmed by reports of abusive working conditions, called for a total ban on the recruitment of Filipino women outside the country.⁶³ Yet, its dependence on foreign currency to meet international debt

⁶³ This can be seen as a move designed to legitimate the government in the eyes of people within the country. The Filipino government's move towards protecting the "country's women" can be seen as a patriarchal ploy to show its strength and ability to protect all of its population. However, it should be noted that Filipinas have been well organized to defend their rights in many of the countries where they are employed as migrant contract labour, including Canada. This fact may have been a major factor in pushing the Philippines government to move to protect their rights.

payments forced the government to exempt the 22 countries that were major labour importers of Filipinas (Dioscon, 1992:15).⁶⁴

Many sending countries continue to legitimate the sending of workers abroad by arguing that it is in the "national interest."⁶⁵ Sending countries contend that the substantial out-migration of workers entails a sound development strategy on their part. However, this strategy has rarely borne fruit. Instead, this migration has contributed significantly to imported inflation, relatively little productive investment, little direct contribution to domestic employment growth and has substantially aided in the so-called "brain drain" that the LEACs experience (Connell, 1993).

Evidence further indicates that migrant workers neither gain new skills abroad nor that their existing skills are of use following their return (Gardezi, 1995). Indeed, upon returning home, most people continue to seek work in other parts of the world (Connell, 1993:46). Thus, the so-called "temporary" movement of labour as unfree contract workers is becoming a permanent feature in the lives of a growing number of migrants.

Regardless of these findings a number of countries continue to incorporate labour exports into their strategies for earning foreign exchange. In fact, two major exporters, the Philippines and Pakistan, have both established various bureaus and ministries to deal specifically with this issue. In 1993, the Philippine government of Fidel Ramos, announced its development plan, "Philippines 2000." Its goal is to

⁶⁴The lack of priority given to workers' rights is evidenced by the fact that in 1995 only five countries around the world have signed the 1990 United Nations General Assembly Convention for the Protection of the Rights of Migrant Workers and members of their Families. Even for those countries, including the Philippines, which have signed, it remains only a formal rather than a real means of protecting migrant workers' rights, for they have not abided by the principles or agreements of the Convention. Canada has not yet signed this agreement (PWC, 1995b).

⁶⁵ For example, as the export of labour from the Philippines has increasingly gained centre stage in the government's development strategy, state leaders have praised migrant workers as the "new heroes of the nation," while doing nothing to protect their rights when abroad (World Association of Community Radio Broadcasters (AMARC), 1994:3).

transform the country into a "newly industrialized country" by the end of the century. The export of migrant workers, the vast majority of whom are employed as unfree contract labour, plays a major part of this strategy. Indeed, Ramos has announced that his government will attempt to increase the export of labour by 30 percent (AMARC, 1994:4). Other governments, such as the Indonesian and Sri Lankan, have stated that one of their principal strategies to overcome deficits in their international balance of payments is the sending of women workers overseas (Raj-Hashim, 1994:123).

On an international scale, it is clear that labour-exporting countries are seeking *new* markets around the world (see Cahill, 1991). For instance, at an International Labour Organization (ILO) meeting in 1991, government representatives of sending countries "appealed for the opening of borders to allow migrant labour to earn foreign exchange in the more affluent industrialized nations..." (ILO, 1991:9-10 as cited in Connell, 1993:48). Indeed, sending states are searching for new ways in which to "encourage" nationals to enter the international market for unfree contract labour (see Indonesian Observer, no. 4 September, 1991 as cited in Connell, 1993).

In addition, ever *more* countries are emerging as important exporters of contract labour and competition between sending countries is intensifying. This does not bode well for the migrant workers. Myanmar, Nepal and Indonesia have all made attempts to have their nationals become involved in migrant worker flows. As well, Mongolia, Laos and Cambodia have shown indications of participating in the future. The attraction that the remittances of these workers holds for governments appears to be a major source of this interest (PWC, 1994).

Furthermore, China and Vietnam, both of which have recently experienced massive direct foreign capital investment, have emerged as new players in this international labour market. Both countries have tried to undercut the competitiveness of traditional labour exporting countries by claiming that their work forces are cheaper

than the others (Connell, 1993:49). As a reaction, others, such as Bangladesh have 'recommended' that their nationals take a 15 to 20 percent wage *cut* in order to remain 'competitive' with the workers of other countries (Birks, *et al*, 1988:272). Already since the mid-1980s, workers from the South and Southeast Asian states have experienced a wage decline between 20 to 43 percent (Birks *et al*, 1988:272).

At the same time an increasing number of countries are becoming labour *importers*. Countries which only a few short years ago were exporting labour have now begun to seek significant labour imports from abroad. Especially significant is the fact that traditional source regions of migrant labour are seeing pockets of labour *importers* develop in their midst. For instance, the four industrial 'dragons' of Asia (Hong Kong, Taiwan, South Korea and Singapore) have, since the 1980s, been recruiting large numbers of migrant labourers from within the region (Sassen, 1988:65). As we have seen, many of these 'imports' come in the form of unfree wage labour. Other countries, such as Thailand are in a position where we can soon expect them to become minor labour importing countries. With their high growth rates, these countries are facing domestic labour shortages of both a quantitative and qualitative kind. At the same time, there is still a significant out-migration of workers from these countries, largely to the EACs (Sassen, 1988).

It is clear, therefore, that there is a growing *institutionalization* of international migrations of unfree wage labour. It is growing both in numbers and scope. Indeed, in the words of Hassan Gardezi, the unfree contract labour recruitment system "...has emerged as the dominant mode of the international transfer of labour" (1995:5). It is now roughly estimated that of the approximately 100 million people moving in search of employment, both nationally and internationally, at least one-third are moving as unfree, contract labour (Gardezi, 1995:2).

4.3 A Buyer's Market: Unfree, Contract Labour in Canada

During the 1970s, host countries, such as Canada, involved in the expansion of the use of unfree labour power, went beyond ordinary immigration and labour laws to control foreign workers (Dias, 1994:136). Canada's Non-Immigrant Employment Authorization Program represented an increase in restrictive conditions of entry faced by workers filtered through its auspices. Examining the specifics of this program indicates the nature of the contracting process with unfree labour. When reviewing the benefits that result from such contracts with workers it is clear that the outcome is decidedly in favour of both the state and employers within the receiving countries.

The program allows employers to request disciplined foreign labour and permits state officials to apply restrictions to such workers while timing their arrival to best suit current labour market conditions. Indeed, host countries have, to a great extent, controlled the scale, structure and course of labour migration. With this in mind, Potts asserts that,

it is they who determine the composition of the waves of migration... The scale and timing of arrivals and departures and the pattern of immigration and remigration are directly dependent on the economic climate and the state of the labour market in host countries and on those countries' prognoses of how such factors might change in the future (1990:208).

In addition, the receiving states are also in the position to determine the *conditions* of entry for foreign workers. Through the use of the Non-Immigrant Employment Authorization Program, a growing number of foreign workers entering Canada face increased regulations and restrictions on the sale of their labour power. Stipulations regarding the criteria for admittance under this program include the name of the employer, the location of employment, type of employment, condition of employment and length of employment (CIC, 1994g). The worker is, therefore, bound to "...work at a specific job for a specific period of time for a specific employer" (CIC,

1994g:). The state, thus, denies mobility rights to workers entering under this program. It does so through a great deal of coercion.

Employees cannot change any condition of their employment authorization without prior written permission from an immigration officer. Temporary visa workers are told that they, "... must follow the terms of [their] employment authorization while in Canada. If [they] do not, [they] may be asked to leave the country" (CIC, 1994g). In other words, if a worker employed on an temporary employment authorization leaves the stipulated employer or changes occupations without the approval of the government she or he is subject to deportation.

Furthermore, as in many countries, the Non-Immigrant Employment Authorization Program operates as a forced *rotational* system of employment. Workers are not permitted to exceed the length of time stated upon their temporary work visa. They are, in other words, recruited to work for a pre-specified period of time and are replaced with new workers. The program has, thus, operated much as a "revolving door of exploitation" in Canada (Ramirez, 1982:17). The only 'temporary' feature of this program, thus, is the individual worker contracted to work in the country for a particular period of time.⁶⁶ The availability of foreign unfree wage workers is, itself, a permanent feature of the Canadian landscape.⁶⁷

⁶⁶ In Canada, the figures presented on the Non-Immigrant Employment Authorization Program represent the number of people granted temporary work visas rather than the number of visas issued. The numbers do not include multiple visa issuance to the same person (Michalowski, 1992:8-11). In other words, the number of people entering on temporary work visas is recorded and not the number of jobs employing unfree wage workers in Canada. Thus, the numbers are actually an *underestimation* of the demand for unfree wage labour as only the number of people granted employment authorizations are captured by the data.

⁶⁷ Indeed, the Non-Immigrant Employment Authorization Program is strikingly similar to many other contract labour recruitment programs elsewhere in this regard. Hassan Gardezi, for instance, describes the situation of guest workers in the Gulf States as, "...all of these States tie a migrant worker's residence permit to his [sic] work permit, restrict his work to one employer, and do not allow him to change employers unless he obtains the consent of the first employer and the Ministry of Work" (1995:7). These conditions are almost identical to the conditions imposed on workers employed under temporary work visas in Canada.

The importation of a large number of foreign workers under conditions of unfreedom, regulated by the state through contractual obligations of entry and employment, has allowed for the super-exploitation and 'disciplining' of workers on temporary work visas.⁶⁸ Indeed, a major attraction that the program holds for employers is the greater control afforded them over their work force. Like other labour market policies of the Canadian state during the period under study, then, immigration policy is increasingly geared towards the demands of employers.

In order to employ workers on temporary work visas, employers apply for permission through the nearest Canada Employment Centre (CEC). Officials within the CEC are charged with deciding if there is a 'shortage' of Canadian workers for the job that the employer needs filled (CIC, 1994a). If the department determines a shortage exists, employers are permitted to recruit temporary visa workers. Often, employers are matched with employees by overseas agencies set up to recruit workers in their country of last residence (Dias, 1994:140).⁶⁹

If this fails, employers are told that visa officers at Canadian government offices abroad can help them recruit temporary visa workers (CIC, 1994a). The role of these offices is to provide employers with advertising, interviewing facilities and advice on local laws and immigration processing times (CIC, 1994a). Employers who require a large number of workers are able to arrange for blocks of labour through bilateral agreements between the governments of Canada and other nations (Cornish, 1992).

Work" (1995:7). These conditions are almost identical to the conditions imposed on workers employed under temporary work visas in Canada.

⁶⁸ For Frobel, Heinrichs and Kreye, the term "super-exploitation" refers to "...sub-subsistence wages and exhausting conditions that prevent the worker's reproducing herself without recourse to another source of subsistence funds" (Marchak, 1991:143). Thus, it is not simply a moral condemnation but a technical term.

⁶⁹ A large amount of documentation exists testifying to the often abusive and highly exploitative conditions exerted against migrant workers by recruitment agents. As many workers have exhausted their search for other means of survival, they are convenient targets for these middle persons who are often the only means for workers to be matched up with prospective employers. These middle persons often extort a hefty price from the migrant workers for their 'service' (see Dias, 1994:140-46).

The Canadian government states that, "a temporary foreign worker will be considered if the job is temporary or is permanent, but an employee is needed to bridge the gap until a Canadian worker can be recruited or trained" (CIC, 1994a:3). William Marr has paid special attention to the notion of 'shortages' within the Canadian labour market that need to be filled, 'temporarily', by foreign, unfree contract labour (1977:519). He points to a 1975 Report to Parliament by the Special Joint Committee on Immigration Policy. This report highlights the government's stated need to continue the program of temporary labour recruitment where a continual demand for labour arises which "Canadian citizens or landed immigrants are unwilling to fill..." (1975:49-53).

The emphasis placed by the Committee on the *unwillingness* of citizens or permanent residents to take up certain types of employment is highly significant. It points to the double meaning that the term 'shortage' has in regards to the expressed purposes of the government in implementing the Non-immigrant Employment Authorization Program. As Saskia Sassen has pointed out, for both employers and the state, shortages are often defined not by the absence of actual workers ready and able to work but by the existence of particular characteristics of the labour supply that impede the process of capital accumulation (1988:27). Such characteristics include relatively high wage rates, access to social programs that help to decommodify workers, workers' protections and collective bargaining rights. These are exactly the characteristics of the domestic labour force in Canada much bemoaned by business leaders.

Indeed, 'shortages', rather than reflecting purely quantitative gaps within the Canadian labour market are, thus, defined *qualitatively* as well. What there is a 'shortage' of, then, is a particular *kind* of work force that can be filled by a contract labour recruitment program. In other words, in Canada, there are 'shortages' of cheap

and politically subjugated labour power.⁷⁰ The effects of greater international competition upon the ability of the Canadian state to attract capital investment is a concrete consideration of the Department of Citizenship and Immigration. It has stated that "the recruitment [of temporary visa workers] is...examined to determine whether it will strengthen the company's competitiveness in the international marketplace" (CIC, 1994a:1).

7

Workers employed on temporary visas, however, are unable to competitively enter labour-markets for opportunities to negotiate their wages or working conditions. Instead, many are forced to accept the conditions offered or face deportation to the very countries they left in their need to find employment. Employers, thus, are under no pressure to improve working conditions or pay rates in order to maintain this unfree contract work force since workers are guaranteed them through the temporary visa program.

4.4 The Permanence of Temporary Workers in Canada

In Canada, the most striking evidence of the expansion of the use of unfree labour power is revealed in statistics on the Non-Immigrant Employment Authorization Program (some not readily accessible to the public) collected by various departments responsible for immigration (see Chapter One:12 of the present study). Not only the increase in numbers, but also the continuity of the program over the last twenty years attests that it has become a 'permanent' component of recruiting unfree workers for ever longer periods of time and for specific occupational groupings.

Yet, first, in order to best examine the conditions faced by foreign workers as they sell their labour power within Canada, it is necessary to comprehensively examine

⁷⁰ This statement is, of course, relative because workers in Canada have experienced a decline in wage rates and collective bargaining rights throughout the period under study. Furthermore, Aboriginal peoples, people of colour and women have historically comprised the ranks of 'cheap' labour in the country and continue to do so. However, in comparison to those countries currently found to be 'attractive' to capital investors, Canada continues to constitute a 'high wage' country.

whether they are able to work as free labour or are made to work under conditions of unfreedom as a condition of entry to the country. Hence, it becomes important to compare those entering Canada as landed immigrants with permanent residency rights and those entering through the Non-Immigrant Employment Authorization Program.⁷¹

Of particular importance is the comparison between those workers specifically recruited for entry into the Canadian labour market - "independent" class landed immigrants and temporary visa workers. As will be shown below, the number of recruited workers on restricted temporary work visas substantially outnumbers immigrants. A comparison between landed immigrants who work within the Canadian labour market and those recruited under restricted work visas reveals that during the last decades of the 20th century (1973-1993), more than three-quarters of the labour recruitment to Canada constituted unfree labour.

Before demonstrating the significance of the recruitment of workers from abroad (either as non-immigrants on restricted visas or as immigrants categorized as independents) for an understanding of the expanding use of unfree labour power in Canada, a brief review of the total number of landed immigrants brought to Canada for social and humanitarian reasons (including those in the family and refugee category) and those brought to Canada for economic reasons (including entrepreneurs, investors,

⁷¹ As discussed in Chapter One, section 1.1., not all foreigners admitted as permanent residents intend to work in Canada. It is, therefore vital to separate out those who have stated that they will work from those that do not intend to. Furthermore, it is of import to distinguish between those entering with temporary employment authorizations that essentially have similar freedoms as does free wage labour from those who work as unfree wage labour in Canada. For these purposes, the category of "worker" has been constructed as the sum total of permanent residents from all classes of entry who have stated they intend to work (labeled as "destined" to the labour market by CIC) and those persons employed under temporary work visas excluding entrepreneurs, artists, sports figures, and those with "not stated" occupations. In order to best understand the Canadian government's *recruitment* of foreign labour, the category of "destined" is further deconstructed to examine those admitted within the "independent" category, for unlike the other classes of landed immigrants, they gain entry for labour market reasons alone. The government classifies as "independent class" those immigrants admitted with permanent residency rights through the 'points system'. These immigrants are recruited specifically for assessed labour market skills. Unlike those in the family class, refugee class or retired class, they are not recruited for social or humanitarian reasons.

the self-employed and assisted relatives) is required. Many of the immigrants in the landed category other than "independents," such as family class, refugees etcetera, also work within the Canadian labour market as free wage workers while only a minority of the non-immigrants admitted with restricted visas under the Non-Immigrant Employment Authorization Program, such as entrepreneurs, artists and sports people are able to do so.

Table 4.1
Permanent Residents to Canada, Class by Year of Landing, 1973-1993⁷²

Year	Family	Refugee	Assisted Relative	Entrepreneur	Self-Employed	Investors	Retired	Independent	Total
1973	----	----	----	----	----	----	----	----	184,200
1974	----	----	----	----	----	----	----	----	218,465
1975	----	----	----	----	----	----	----	----	187,881
1976	----	----	----	----	----	----	----	----	149,429
1977	----	----	----	----	----	----	----	----	114,914
1978	----	----	----	----	----	----	----	----	86,313
1979	----	----	----	----	----	----	----	----	112,093
1980	51,039	40,348	13,531	719	4,397	----	1,548	31,549	143,133
1981	51,017	14,979	17,590	900	5,128	----	2,063	36,941	128,618
1982	49,980	16,925	11,948	1,475	4,889	----	2,252	33,678	121,147
1983	48,698	13,967	4,997	1,865	4,360	----	2,094	13,176	89,157
1984	43,814	15,342	8,167	3,555	2,705	----	2,313	12,343	88,239
1985	38,514	16,760	7,396	4,959	1,522	----	2,100	13,051	84,302
1986	42,197	19,147	5,890	5,866	1,629	23	1,833	22,634	99,219
1987	53,598	21,565	12,283	8,440	2,313	316	2,662	50,921	152,098
1988	51,331	26,836	15,567	11,372	2,712	1,028	3,177	49,906	161,929
1989	60,774	37,004	21,520	12,984	2,309	2,271	3,565	51,574	192,001
1990	73,457	39,689	25,393	12,263	1,974	4,208	3,534	53,712	214,230
1991	86,378	53,401	22,247	9,901	1,953	5,189	4,215	47,497	230,781
1992	99,960	51,875	19,880	15,697	2,818	9,628	5,479	47,505	252,842
1993	111,670	30,262	22,738	16,644	3,362	12,630	7,723	49,292	254,321

Source: Employment and Immigration Canada, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993; Citizenship and Immigration, 1994b.

While the classes of landed immigrants shown in Table 4.1 are admitted for various social, economic and humanitarian reasons, all immigrants indicate upon their admittance form whether they intend to work once in Canada (MIC, 1974). These people are then included by the government into a category labeled as "destined" (to the labour market). All those landed immigrants that fall within this category are

⁷² Unfortunately, for the years 1973 to 1979, information is not provided for the immigration class breakdown of landed immigrants. This lack of information, thus, affects the information provided in Tables 4.1 and 4.2.

considered as "workers" by the government. Hence, the "destined" category is a fairly accurate representation of those immigrants admitted as permanent residents who intend to work within the Canadian labour market. While *all* classes of immigrants who state that they intend to work fall within the "destined" category, only "independent" class immigrants are recruited *specifically* to work in the Canadian labour market (see MIC, 1974:1).

Table 4.2
Persons Admitted under the Independent Class
Percentage of Destined Category

Year	Independent	Other Destined ⁷³	Total Destined ⁷⁴
1973	----	----	92,228
1974	----	----	106,083
1975	----	----	81,189
1976	----	----	61,461
1977	----	----	47,625
1978	----	----	34,762
1979	----	----	47,949
1980	31,549 (50)	31,930 (50)	63,479 (100)
1981	36,941 (65)	19,735 (35)	56,676 (100)
1982	33,678 (61)	21,345 (39)	55,023 (100)
1983	13,176 (36)	23,364 (64)	36,540 (100)
1984	12,343 (33)	25,125 (67)	37,468 (100)
1985	13,051 (35)	23,898 (65)	36,949 (100)
1986	22,634 (36)	40,845 (64)	63,479 (100)
1987	50,921 (90)	5,755 (10)	56,676 (100)
1988	49,906 (68)	23,228 (32)	73,134 (100)
1989	51,574 (55)	42,838 (45)	94,412 (100)
1990	53,712 (49)	56,128 (51)	109,840 (100)
1991	47,497 (37)	80,373 (63)	127,870 (100)
1992	47,505 (35)	89,855 (65)	137,360 (100)
1993	49,292	n/a	n/a

Source: Employment and Immigration Canada, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993; Citizenship and Immigration Canada, 1994b.

⁷³ The "other" category consists of people who have indicated that they intend to enter the Canadian labour market upon admittance to the country. The enter Canada under the following classes of immigration: family; assisted relatives; refugees; self-employed and retired.

⁷⁴ Those admitted under the entrepreneur and investor classes are excluded since they are employers, not workers, within the Canadian labour market.

In turning to an examination of the Non-Immigrant Employment Authorization Program, it is of use to note the various groups admitted under its auspices. While not all are recruited to work as unfree wage labour within the Canadian labour market, we see that most are for the majority of the years under study (see Chapter One:11-18 for a more detailed discussion).

Table 4.3
Non-Immigrant Employment Authorization Program,
Total Number of People Admitted to Canada with Temporary Visas, 1973-1993

Year	Workers ⁷⁵ (Non-Immigrant)	Entrepreneurs	Artists etc.	Sports etc.	Not stated	Total
1973	69,901	122	12,432	1,259	132,317	216,031
1974	71,773	242	13,276	1,185	154,066	240,542
1975	77,149	211	17,464	1,198	175,133	271,155
1976	69,368	216	19,379	1,886	188,917	279,766
1977	67,130	249	19,945	1,861	179,901	269,021
1978	14,459	37	4,958	131	30,644	50,229
1979	31,996	117	21,371	1,336	14	54,834
1980	98,681	n/a	n/a	n/a	n/a	n/a
1981	96,750	147	32,063	1,889	1	130,850
1982	90,182	65	33,826	1,812	2	125,887
1983	84,184	45	34,731	2,151	19	121,130
1984	108,735	170	32,591	1,962	3	143,461
1985	128,692	495	28,277	1,827	5	159,296
1986	143,534	316	26,101	1,655	123	171,729
1987	149,603	146	24,864	1,683	19	176,315
1988	186,398	111	25,431	1,868	39	190,959
1989	160,162	87,724	27,254	1,730	40	276,910
1990	165,643	19,000	27,503	1,964	8	214,118
1991	182,771	20,916	25,466	1,890	26	231,069
1992	174,312	27,892	26,171	2,072	0	230,447
1993	151,890	15,493	24,949	2,117	50	194,499

Source: Employment and Immigration Canada, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993; Citizenship and Immigration Canada, 1994b; 1995.

⁷⁵ The "worker" category represents the number of people admitted under the Non-Immigrant Employment Authorization Program as unfree wage labour with temporary work visas within the following categories: managerial, administrative; natural sciences, engineering and mathematics; social sciences and related; religion; teaching; medicine and health; clerical; sales; service; farming, horticultural and animal-husbandry; fishing, hunting, trapping; forestry and logging; mining and quarrying including gas and oil; processing; machining; fabricating, assembly and repair; construction; transport equipment operating; material handling and; other crafts and equipment operating.

We see in Table 4.3 that in 1973, 69,901 temporary work visas were issued to those who can be properly designated as workers. In 1983 this number reached 87,700. By 1993 the number stood at 153,988, over double that of twenty years earlier. To date, the high-mark for the number of people entering the country on temporary employment authorizations is 1988 when the total equaled 194,454. However, there are other years in which the numbers also approached 200,000 (1991 and 1992).

There has been a consistent and continuous supply of temporary workers. Indeed, the numbers of workers admitted to Canada under the Non-immigrant Employment Authorization Program has been growing, with intermittent decreases, since its inception in 1973. In this regard, it becomes useful to compare the number of foreign workers who are admitted with landed status with those entering under temporary employment authorizations. Landed workers have virtually the same rights as Canadian citizens while temporary visa workers do not.⁷⁶ As Table 4.2 shows, in 1973, 92,228 foreign workers (Total Destined) were granted permanent resident status (MIC, 1974). In comparison, Table 4.3 shows that 69,901 foreign workers were admitted into Canada on temporary employment authorizations in 1973 (Bolaria and Li, 1988).

Before we can make an accurate comparison of those landed immigrants indicating their intention to work in Canada with those non-immigrants recruited as unfree wage workers, it is necessary to include those workers recruited as domestic

⁷⁶ Permanent residents have the right to access the same social programs as other citizens. During the period of study they have complete mobility rights. They work as free wage labour in the country. The rights not available to permanent landed residents are: voting rights in provincial and federal elections; jobs within the federal public sector and the holding of political positions. However, all permanent residents have the right to apply for citizenship status after three years of continuous stay in the country. Furthermore, they can not be deported unless they have committed a 'major' crime while in the country or have falsified their application documents.

servants for Canadian homes.⁷⁷ They too enter the country as non-immigrants under temporary work visas and, therefore, ought to be included in the total visa category (see Table. 4.5).

Table 4.4
 Persons Admitted to Work as Domestic Servants in Canada with Temporary Employment Authorizations,
 Foreign Domestic Movement Program, 1982-1991
 and Live-in Caregiver Program, 1992-1993

Year	Total
1982	11,327
1983	3,506
1984	4,562
1985	5,475
1986	6,933
1987	7,889
1988	8,056
1989	8,842
1990	10,734
1991	8,621
1992	3,968
1993	2,098

Source: Intercede. 1993; 1994

⁷⁷ Prior to 1982, foreign domestic workers were employed within Canadian homes, however, they gained admittance through the Non-Immigrant Employment Authorization Program. Following much work by various groups representing the interests of foreign domestic workers, the Canadian government introduced the Foreign Domestic Movement Program in 1982 followed in 1992 by the Live-in Caregiver Program. Domestic workers recruited under these programs are eligible to apply for landed status after two years of continuous employment as domestic servants in Canada. This right is not available to those who are admitted under the Non-Immigrant Employment Authorization Program.

Table 4.5

Total Number of Workers in the Canadian Labour Market by Calendar Year,
Permanent Residents Destined to the Labour Market and Temporary Visa Workers,
1973 to 1993

Year	Destined♦ (Immigrant Workers)	Visa♥ (Non-Immigrant Workers)	Total Workers▲
1973	92,228 (57)	69,901 (43)	162,129 (100)
1974	106,083 (60)	71,773 (40)	177,856 (100)
1975	81,189 (51)	77,149 (49)	158,338 (100)
1976	61,461 (47)	69,368 (53)	130,829 (100)
1977	47,625 (41)	67,130 (59)	114,755 (100)
1978	34,762 (71)	14,459 (29)	49,221 (100)
1979	47,949 (60)	31,996 (40)	79,945 (100)
1980	63,479 (39)	98,681 (61)	162,160 (100)
1981	56,676 (37)	96,750 (63)	153,426 (100)
1982	55,023 (35)	101,509 (65)	156,532 (100)
1983	36,540 (29)	87,700 (71)	124,240 (100)
1984	37,468 (25)	113,297 (75)	150,765 (100)
1985	36,949 (22)	134,167 (78)	171,116 (100)
1986	63,479 (30)	150,467 (70)	213,946 (100)
1987	56,676 (26)	157,492 (74)	214,168 (100)
1988	73,134 (27)	194,454 (73)	267,588 (100)
1989	94,412 (36)	169,004 (64)	263,416 (100)
1990	109,840 (38)	176,377 (62)	286,217 (100)
1991	127,870 (40)	191,392 (60)	319,262 (100)
1992	137,360 (43)	178,280 (57)	315,640 (100)
1993	65,130 (30)	153,988 (70)	219,118 (100)

Source: Employment and Immigration Canada, 1980:1981:1982:1983:1984:1985:1986:1987: 1988:
1989:1990:1991:1992:1993; Citizenship and Immigration Canada, 1995; INTERCEDE, 1993, 1994.

♦ "Destined" refers to the number of people admitted to Canada as permanent residents who have indicated that they intend to enter the labour market. This category includes people admitted under all class of immigrants (family, refugees, self-employed, retired, assisted relative and independent). These people have the right to choose their occupation, their employer and their location of residence. In other words, they are able to work as free wage workers within Canada. This category excludes: entrepreneurs who were added to this category from 1978 and investors who were included from 1988.

♥ "Visa" refers to the number of people admitted to Canada for periods less than or over one year and working in Canada during the calendar year recorded. The total of visa workers includes "workers" (Table 4.3) plus the Foreign Domestic Movement Program (1982-1991) and the Live-in Caregiver Program (1992-1993) (Table 4.4). For the years 1989-1993, the category "backlog clearance," given to refugees granted temporary employment authorizations while waiting for their status to be determined, is also excluded. It should be noted that there are categories of workers who do not require either landed status or temporary work visas: diplomats, foreign business representatives and foreign journalists. These workers are admitted to work within a particular occupation, for a

particular employer, within a particular location in Canada and for a specified period of time. In other words, these workers are unfree wage workers.

◆ This category includes all those entering the country under the above "destined" and "visa" categories.

If we categorize the number of "destined" immigrants and those given temporary employment authorizations to work in the country as the total number of workers admitted into the country then the percentage of destined workers, those given landed status, makes up 57 percent of all workers entering the country in 1973 (see Table 4.5). By 1993, 65,130 permanent immigrants were considered as "destined" to the labour market while 153,988 were admitted under temporary work visas. This means that of the total number 219,118 of workers admitted to Canada in 1993, only 30 percent received landed status while 70 percent came in on temporary work visas. Thus, temporary visa workers, from constituting a minority of foreign workers entering Canada in 1973, made up the overwhelming majority working in 1993.

Indeed, soon after the Non-Immigrant Employment Authorization Program was introduced, *most* foreign workers began to enter the country as unfree wage workers. In every year since 1975 (with the exception of 1978 and 1979) the number of non-immigrant workers has far exceeded the number of landed immigrant workers. Since that time, anywhere from 57 to 78 percent of all workers entering Canada have done so under the unfree conditions imposed by their temporary work visas.

In some years the number of "non-immigrant" workers has even exceeded the *total* number of landed immigrants in Canada ("destined" workers *plus* family class *plus* refugees *plus* entrepreneurs - see Table 4.1). This occurred most recently in 1988 when 161,929 landed immigrants entered the country while 194,454 workers entered on temporary work visas (see Tables 4.1 and 4.5). It occurred most dramatically in 1986 when over 50,000 more unfree wage workers were admitted than *total* landed immigrants.

As Table 4.5 shows, the significance of unfree wage workers is most marked in the period between 1983 and 1986 when the levels of the permanent component of immigration decreased substantially (Michalowski, 1993:75). It was during these years that the high mark in the proportion of workers admitted on temporary employment visas was reached. In 1983, 71 percent of all workers were admitted under the unfree conditions of the Non-immigrant Employment Authorization Program. In 1984, the percentage was 75. In 1985, the percentage reached its all-time high of 78. It remained high in 1986 at 70 percent, in 1987 at 74 percent and in 1988 at 73 percent.

The economic recession of the late 1970s and early 1980s, combined with pressures placed upon the state by anti-immigration forces, led to a reduction in the number of landed immigrants (Berdichewski, 1991). However, we see that the *total* number of workers entering Canada was sustained. Thus, while employers were able to continue recruiting a foreign work force during this time, the overwhelming majority were forced to work as unfree contract labour as a condition of entry to the country.

It appears then that the "permanent" component of Canadian immigration policy is subject to greater fluctuation from economic, social or political forces than is the Non-Immigrant Employment Authorization Program. Whether the number of landed immigrants admitted annually is high or low, the number of temporary visa workers continues to grow - or at least remain steady. Indeed, excepting 1978 and 1979, the *proportion* of workers admitted on employment authorizations has never fallen below 1974 levels.

As a reflection of the demand for unfree contract labour, these figures indicate that the so-called shortages in the Canadian labour market are not as "temporary" as the federal government has stated (MIC, 1974). Indeed, it is useful to highlight the comparison between foreign workers *specifically* recruited for the Canadian labour

market - independent class immigrants and non-immigrant workers admitted as unfree workers under the Non-Immigrant Employment Authorization Program.

Table 4.6

Labour Recruitment to Canada from Abroad,
Persons admitted as Independent Class Immigrants and Temporary Visa Workers,
1980-1993

Year	Independent ⁷⁸	Visa ⁷⁹	Total
1980	31,549 (24)	98,681 (76)	130,230 (100)
1981	36,941 (28)	96,750 (72)	133,691 (100)
1982	33,678 (25)	101,509 (75)	135,187 (100)
1983	13,176 (13)	87,700 (87)	100,876 (100)
1984	12,343 (10)	113,297 (90)	125,640 (100)
1985	13,051 (09)	134,167 (91)	147,218 (100)
1986	22,634 (13)	150,467 (87)	173,101 (100)
1987	50,921 (24)	157,492 (76)	208,413 (100)
1988	49,906 (20)	194,454 (80)	244,360 (100)
1989	51,574 (23)	169,004 (77)	220,578 (100)
1990	53,712 (23)	176,377 (77)	230,089 (100)
1991	47,497 (20)	191,392 (80)	238,889 (100)
1992	47,505 (21)	178,280 (79)	225,785 (100)
1993	49,292 (24)	153,988 (76)	203,280 (100)

Source: Employment and Immigration Canada, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993; Citizenship and Immigration Canada, 1994b; 1995.

Table 4.6 indicates that of all foreign workers recruited for labour market needs, approximately *three-quarters* were employed as unfree wage labour in Canada in 1993. In some years the proportion has reached 90 percent of all those recruited. The significance of the Non-Immigrant Employment Authorization Program is further emphasized when we look at Graph 4.1.

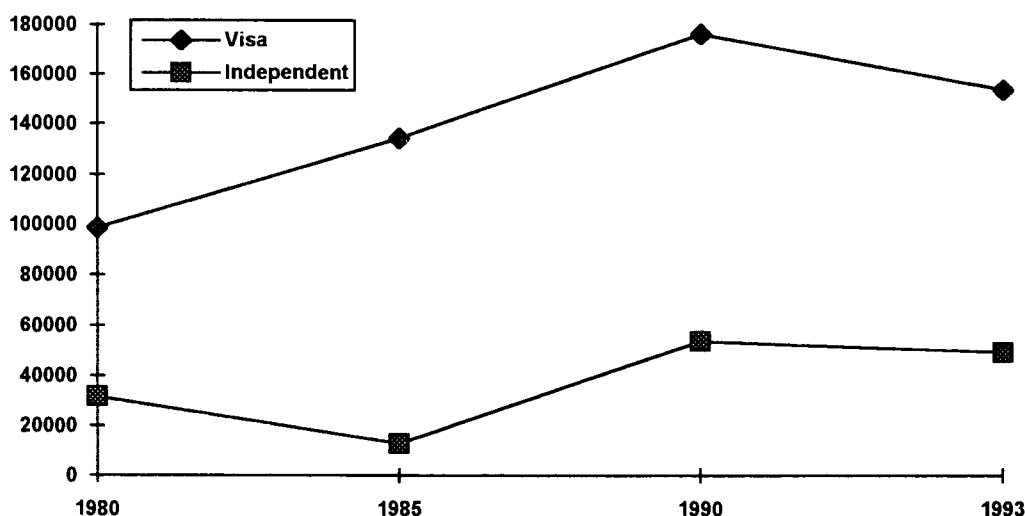
⁷⁸ This category is the "Independent" category seen in Table 4.2.

⁷⁹ This category is the Visa category in Table 4.5.

Graph 4.1

Foreigners Specifically Recruited as Workers.

Independent Class Immigrants and Temporary Visa Workers, 1980-1993



Source: Employment and Immigration Canada, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993; Citizenship and Immigration Canada, 1994b; 1995.

It should, by this point, be clear that unfree forms of labour migration dominate in the case of Canadian recruitment of foreign workers for specific sectors in the labour market. Since 1980, the proportion of unfree to free wage foreign labour has never fallen below 72 percent. The average proportion of unfree to free wage labour in the period 1980 to 1993 has been 80 percent. In other words there has been a ratio of 4:1 in favour of the recruitment of unfree wage labour during the period under study.

While the Canadian government states that the Non-Immigrant Employment Authorization Program is used to meet 'temporary' "shortages" within the labour market, the *qualitative* nature of these labour shortages is emphasized when we take a look at Canada's official unemployment rates during the time of the program's implementation as well as in its operation in successive years. It was seen in Chapter Three of the present study that the country's unemployment rate in 1973 was 5.5 percent. In this year 69,901 foreign workers were admitted to the country on

temporary employment authorizations (Bolaria and Li, 1988). The top three occupational groupings employing unfree contract labour were service (17.2 percent), farming (13.3 percent) and fabricating, assembly and repair (11.4 percent). Together these three occupations accounted for approximately 42 percent of all jobs filled that year (CIC, 1995).

Ten years later, in 1983, the official unemployment rate had sky-rocketed to 11.9 percent while the number of foreign workers employed on temporary work visas had risen to 87,700 (EIC, 1984). In this year, service (29 percent); farming (9.5 percent) and; fabricating, assembly and repair (13.2 percent) accounted for about 52 percent of all temporary visa workers (CIC, 1995). In 1993 the unemployment rate remained staggeringly high at 11.2 percent while the number of foreign workers on employment authorizations had again risen, this time by over 65,000, to reach 153,988 (CIC, 1994b). Again, service industry (11.3 percent) and the farming sector (14.1 percent) were in the top three of all occupational groupings (CIC, 1995). Fabricating, assembly and repair remained in the top five of all occupations employing unfree contract workers.

The demand for workers in particular industries has, thus, remained steady. Yet, the government insists that employers in need of foreign workers *can not* hire a temporary visa worker "if the job offers *reasonable prospects of continuity*" and must, instead, seek immigrants granted permanent residency rights in the country (CIC, 1994a:4, emphasis added). However, not only is it questionable whether there has been an actual *quantitative* shortage of qualified workers available for most positions filled by workers employed under temporary visas, it is also clear that jobs within these occupations do, indeed, "offer reasonable prospects of continuity." In fact, in some occupations, such as those in the farming sector, employers often hire the same employees every year for the same job (Wall, 1992). The only feature that can be said

to be "temporary" about the Non-Immigrant Employment Authorization, thus, is the worker her (or him) self.

4.5 Diversity of the Non-immigrant Employment Authorization Program

The use of unfree labour has not only increased but also extends to women and men within diverse categories of occupation. Indeed, while workers admitted under the unfree conditions imposed by the Non-Immigrant Employment Authorization Program comprise the majority of workers admitted to Canada, there is great diversity in the nature and composition of this labour force. Employees for both professional and non-professional occupations are sought.⁸⁰

Unlike professionals, though, unskilled workers admitted to Canada come largely through the Non-immigrant Employment Authorization Program while skilled workers are still able to gain access to permanent resident status in the country. Yet, even skilled workers are successively being shifted to entry under employment authorizations. Thus, while unskilled workers are disproportionately denied permanent resident status many of the skilled occupations increasingly rely upon workers admitted on temporary employment visas (Arat-Koc, 1992).⁸¹

⁸⁰ As pointed out in Chapter One, section 1.1, for the purposes of this study two categories have been constructed from the broad occupational groupings of workers entering under the Non-Immigrant Employment Authorization Program. Those in the "professional" category include: managerial, administrative; natural sciences, engineering and mathematics; social sciences and related; religion and; teaching. "Non-professionals" include: medicine and health; clerical; sales; service; farming, horticultural and animal-husbandry; fishing, hunting, trapping; forestry and logging; mining and quarrying including gas and oil; processing; machining; fabricating, assembling and repairing; construction; transport equipment operating; material handling and; other crafts and equipment operating. Medicine and health occupations have been listed in the non-professional category because past studies have shown that workers recruited for jobs in this category are overwhelmingly employed in non-professional occupations within this broad grouping (Bolaria, 1992).

⁸¹ Monica Boyd (1986) contends that Canada's Non-Immigrant Employment Authorization Program cannot be called a "guest worker" program, because of the large numbers of workers entering the country in professional occupations. She argues that the conceptualization of any labour recruitment program as a 'guest' worker program should be reserved for programs that permanently recruit workers for low-skilled jobs that are situated amongst the lowest paying (1986:938-939). Boyd bases these arguments on the operation of 'guest' worker programs in western Europe. However, she makes assumptions about these programs that are largely incorrect. She assumes that such programs are solely designed to recruit labour for low-skilled jobs. However, many people who work under the

For example, in the case of filling unskilled or semi-skilled occupations, in 1991, 1,974 persons were granted permanent resident status in Canada and stated their intention to work in broad occupational category of farming. In contrast, in that year 13,868 people were admitted on temporary work visas for farming occupations. Of all people entering the farming sector, therefore, 88 percent entered under the unfree conditions imposed by the Non-immigrant Employment Authorization Program (EIC, 1991). Likewise, in 1991, 9,922 people (22 percent) were given permanent residency status for the service sector, while 34,648 (78 percent) were admitted as unfree contract labour (EIC, 1991).

Importantly, workers who enter occupations normally classified as 'unskilled', such as seasonal agricultural workers and domestic workers, are unable to enter Canada through *any* other avenue other than as unfree contract labour. For these occupations, temporary status is applied on a permanent basis (Arat-Koc, 1992:231). People applying for landed status from outside of the country to work in either seasonal farming or domestic occupations are categorically rejected. However, they make up a substantial proportion of workers admitted under temporary employment visas.

Reasons for the introduction of mobility restrictions upon these two types of work shed light on the purposes of the Non-Immigrant Employment Authorization Program. Prior to the imposition of unfree conditions, workers admitted to work in these two occupations sought other types of employment soon after arriving in Canada. This was because of the sub-standard working conditions and pay rates that

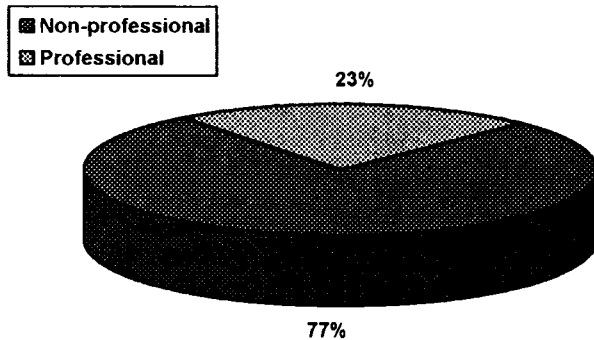
auspices of these programs are employed in high-skilled jobs. For example, Corrigan has shown that, as in Canada, guest workers in western Europe are employed in a variety of jobs, including skilled jobs in the advanced technological sectors, such as automobile manufacturing (1977:445). Likewise, Connell (1992) has shown that systems of forced rotational employment can encompass a wide variety of occupations and are highly subject to domestic economic needs and concerns. As such, it is not the occupation being filled which defines conditions of unfreedom but the lack of mobility rights imposed upon 'guest' workers.

employers in the country provided. Workers were able to seek other employment, because they had the rights associated with permanent residency. As a result, the turnover rate in these sectors was enormous (Arat-Koc, 1992). The introduction of temporary work visas offered employers a solution to this 'problem'. Hence, while the demand for workers in these areas has never abated, the supply has been ensured by indenturing workers to the employer (Silvera, 1983).

We see a similar trend emerging for many other occupational groupings, including those normally classified as skilled. Immigration statistics show that in the medicine and health sector, for instance, 5,281 people (66 percent) were admitted as permanent residents in 1973 while only 2575 (33 percent) gained entry under temporary work visas. By 1991, however, an almost equal number of people were admitted on either basis: 3,573 (49 percent) were given permanent status; 3,640 (51 percent) were admitted on temporary work visas (EIC, 1992).

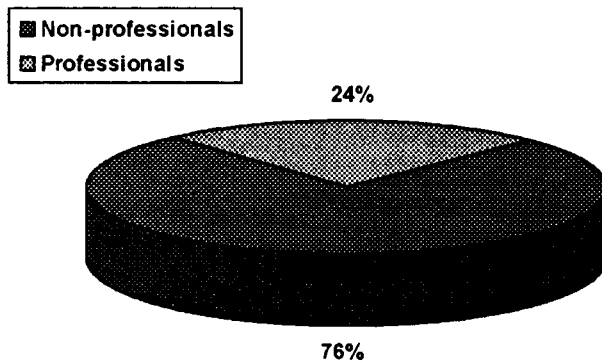
The state, thus, has used entry regulations to convert "...what otherwise might have been permanent settlers into a temporary transient labour force" (Bolaria, 1992:213). While the number of people admitted for work in non-professional occupations continues to be the *main* component of the Non-immigrant Employment Authorization Program, the number admitted for professional occupations is significant.

Graph 4.2
Workers on Temporary Employment Authorizations, 1973
Professionals and Non-Professionals⁸²



Source: Citizenship and Immigration Canada, 1995

Graph 4.3
Workers on Temporary Employment Authorizations, 1993
Professionals and Non-Professionals



Source: Citizenship and Immigration Canada, 1995

As we see from the information contained in Graphs 4.2 and 4.3, the numbers of professionals admitted has remained consistent throughout the period under study.

In 1973, 23 percent of all workers admitted under temporary visas were within the

⁸² For the purposes of this graph, the category of "non-professionals" includes those workers listed as 'not classified' by Citizenship and Immigration Canada. After speaking with Albert Redden, electronic systems manager, it has been discovered that those falling under the not classified category comprise of workers who are employed in jobs not listed in the two digit broad occupational categorization requested from the department. After a survey of those jobs which fall within the not classified category, Mr. Redden assures me that they cannot be considered as professional occupations (CIC, 1995).

professional category. In 1993, the percentage of professionals was 24. Even though professional and relatively high-cost workers do not face the same degree of exploitation and subordination as low-cost labour, most of these workers are not the "high-flyers" touted as the future international worker by some business pundits (see Mangat, 1991:28).

The vast majority of people admitted under temporary work visas within the professional category, like their non-professional counterparts, are unfree. They do not have the ability to choose whom to work for and where to work. Furthermore, much of the pressure to impose conditions of unfreedom upon their labour power comes from professional associations, like those governing doctors (Bolaria, 1992). These groups have successfully lobbied the state for a monopoly position in regards to assignment and a right to exercise "closure."⁸³

For instance, instead of admitting licensed physicians as permanent residents and allowing them entry to professional organizations, the Canadian state annually admits well over 300 physicians to the country under temporary employment visas where they are used to meet needs in "underserviced areas and in certain short supply specialties" (Joint Working Group, 1986:ii). Again, instead of seeing the shortages of physicians in specific geographical or specialty-related areas as *quantitative*, it is argued that these "shortages" are largely qualitative, for they coincide with the least desirable jobs and the least desirable locations in which Canadian or permanent resident physicians prefer not to practice (Mick, 1975; Ishi, 1982). The reason for the low preference rate of these positions is that they offer relatively lower pay and lesser chance for career enhancement (Bolaria, 1992:224).

⁸³ Sacks has defined closure as the process by which professions "regulate market conditions in their favour, in face of actual or potential competition from the outside" (1983:5).

While it is clear that both low-cost and high-cost, high-skilled labour power is being imported as an unfree labour force, there are important gender differentiations between those who fill such occupations. In 1991, the last year in which statistics are collected for employment authorizations issued by occupation and sex, we see that women are over represented in the service (89 percent) and clerical (65 percent) occupations. Men are strongly over represented in the natural sciences, engineering and mathematics (89 percent), managerial (83 percent) and fabricating and repair (93 percent) (EIC, 1992).

Overall, men are highly over-represented in the professional occupations while women are concentrated and over-represented in the service - particularly the personal service - occupations, such as domestic work (EIC, 1992). This is not atypical of the distribution of women and men within the Canadian labour market at large. Thus, it seems that the Non-Immigrant Employment Authorization Program reflects and further entrenches the gendered division of labour already in operation in Canada.

4.6 Source Area as Factors Shaping the Occupational Category of Unfree Wage Labour

In order to better situate workers admitted to Canada as unfree wage labour within the world market for labour power and in order to examine the type of migration flows that impact upon the Canadian labour market, it becomes necessary to examine the relationship between source region and type of occupation entered into by visa workers once in the country as well as the duration of time that workers work under conditions of unfreedom in Canada. To do so, data on source country has been cross-tabulated with data on the broad occupational categorization of workers admitted under the Non-Immigrant Employment Authorization Program by the department of Citizenship and Immigration Canada (1995). From the information provided, the category of source region has been constructed from the collation of

source countries. To best examine broader trends these source regions have then been collated into the categories of LEACs and EACs.⁸⁴

When examining how the broad region of origin for unfree labour is related to occupational categories and length of stay, it becomes evident that workers from the LEACs, often belonging to ethnic groups facing subordination in Canada, are subjected to inequalities. Workers from LEACs largely find themselves within subordinate occupational categories. Thus, it appears that the Non-Immigrant Employment Authorization Program essentially mirrors the segregated labour market already in existence in Canada (Tomaskovic-Devey, 1993).

It is of further import to note that it is clear from the limited amount of data made available that workers from the LEACs work under the unfree conditions imposed by their temporary work visa for longer periods of time than do their counterparts from the EACs. Approximately 90 percent of workers from the LEACs are employed in non-professional occupations (CIC, 1995). Furthermore, the vast majority of workers from these countries are employed in Canada on long-term temporary work visas. Conversely, we see that, overwhelmingly, it is professionals who arrive from the EACs and that workers from the EACs are here largely on a short-term basis. Hence the data shows that workers from the LEACs are employed for longer periods of time as unfree wage workers in Canada than are workers from the EACs.

⁸⁴ As outlined in Chapter One, section 1.1, LEACs include the following source regions: Africa, Asia (excluding Japan), North and Central America (excluding U.S.A.), the Caribbean, South America and Oceania. The category of EACs includes: Europe, Australasia, the U.S.A., Israel and Japan. See Chapter One, for more information.

Table 4.7

Workers Employed Under Temporary Employment Authorizations, 1973 to 1993
 Within Professional Categories, sorted by source region (EACs and LEACs)⁸⁵

Year	EACs	LEACs	Total
1973	16,316 (89)	2,069 (11)	18,385 (100)
1974	18,442 (90)	2,081 (10)	20,523 (100)
1975	21,516 (87)	3,098 (13)	24,617 (100)
1976	20,787 (84)	4,006 (16)	24,793 (100)
1977	20,024 (83)	4,135 (17)	24,159 (100)
1978	4,208 (84)	799 (16)	5,007 (100)
1979	10,258 (92)	949 (08)	11,207 (100)
1980	n/a	n/a	n/a
1981	27,157 (79)	7,062 (21)	34,219 (100)
1982	25,371 (77)	7,516 (23)	32,887 (100)
1983	26,172 (77)	7,957 (23)	34,129 (100)
1984	26,857 (75)	9,090 (25)	35,947 (100)
1985	27,809 (75)	9,473 (25)	37,282 (100)
1986	28,517 (74)	10,200 (26)	38,717 (100)
1987	28,457 (83)	6,035 (17)	34,492 (100)
1988	31,260 (72)	12,742 (28)	44,002 (100)
1989	28,489 (66)	14,860 (34)	43,349 (100)
1990	29,111 (71)	12,009 (29)	41,120 (100)
1991	34,122 (75)	11,177 (25)	45,299 (100)
1992	28,758 (76)	9,079 (24)	37,837 (100)
1993	28,464 (78)	8,103 (22)	36,567 (100)

Source: Citizenship and Immigration, 1995

The figures in Table 4.7 show that of all professionals entering Canada through the Non-Immigrant Employment Authorization Program in 1973, 89 percent were from the EACs. This is especially true in the case of managing and administrating jobs which are held disproportionately by people from the EACs (90 percent in 1973). This fact has remained consistent throughout the operation of this program. In 1993, 78 percent of all professionals were from the EACs while 91 percent of all managers and administrators were from these countries (CIC, 1995).

⁸⁵ See above for a discussion of which source countries and source regions are included in the LEACs or EACs categorization.

Given the branch plant nature of the Canadian economy and its domination by capital headquartered in the U.S.A., it is not surprising that many of these professionals come from the USA for short-term stays to help direct the operations of subsidiaries in Canada (CIC, 1995). In 1973, for instance, they made up almost 60 percent of all professionals entering the country (CIC, 1995). Some of these professionals *can* be considered as part of the "high-flyers" who routinely circumnavigate the globe in order to help monitor the operations of capitalists. Indeed, in 1973, over 60 percent of all managers and administrators entering Canada under temporary employment authorizations were from the U.S. (CIC, 1995).

On the other hand, in 1973, workers from the LEACs make up only 11 percent of all professionals entering Canada on temporary work visas. Furthermore, 92 percent of people from these countries entered the country to work as unfree wage labour within non-professional occupations (CIC, 1995). Indeed, the top three occupations in that year: service; farming and; fabricating assembly and repair mainly employed people coming from the LEACs (CIC, 1995). Within certain of the lowest paying occupations which have poor documented working conditions, people from the LEACs, particularly women, predominate (Arat-Koc, 1992).

For instance, in the occupation of domestic worker, over 80 percent, 95 percent of whom are women, are recruited from the LEACs (Cornish, 1992). Indeed, this proportion has progressively increased since 1973 (Arat-Koc, 1992; Cornish, 1992). These trends fit the worldwide pattern of migration from the LEACs to the EACs, where because of the historical cheapening of the labour power of people from the LEACs, particularly that of women, it is more cost-effective to employ these workers. Interestingly, the Caribbean region sends the largest proportion of non-professional workers. For this area, throughout the period under study the percentage of non-professionals has averaged levels approaching 100 percent (CIC, 1995).

Importantly, for future trends, it appears that the period of time that each worker is employed under unfree conditions is increasing.⁸⁶

Table 4.8
Short-term and Long-term Employment Authorization Workers
Number and Percentages
1980, 1981, 1985 to 1988
Including the Foreign Domestic Movement Program (1985-1988)⁸⁷

Year	Short-term	Long-term	Total
1980	70,211 71%	28,470 29%	98,681 100%
1981	102,893 70%	43,853 30%	146,747 100%
1985	77,912 52%	71,231 48%	149,143 100%
1986	99,697 56%	79,517 44%	179,214 100%
1987	107,360 52%	99,421 48%	206,781 100%
1988	112,404 47%	126,428 53%	238,832 100%

Source: Employment and Immigration, 1981, 1982, 1986, 1987, 1988, 1989

The numbers in Table 4.8 show that from 1981 to 1988, while the overall number of workers admitted as unfree contract labour under temporary work visas has more than doubled, there has been a significant shift in the proportion of short-term over long-term visa holders. In 1981, 71 percent of temporary visa workers entered under short-term visas, however, we see that by 1988, 53 percent of workers holding employment authorizations were in the country on long-term visas.

⁸⁶ Unfortunately, immigration statistics have not been kept on short term and long term employment authorizations throughout the years. Also, for the years they have been kept, the classification of source areas has altered. For instance in 1980, 1981, and the years from 1985 to 1988, such statistics were gathered. However, in the years 1982, 1983, 1984, 1991, 1992, and 1993, the two types of temporary work visa holders were lumped together. This makes comparison very difficult. This is why I have made comparisons with source areas for the year 1985 to 1988. It was felt that comparing the numbers for four consecutive years, would bring to light some of the changes underway.

⁸⁷ Workers entering under the Foreign Domestic Movement Program have been included in the long-term visa holder category, as they are admitted for a period of two-years.

There, thus, is a greater permanency of 'temporary' status for individuals brought into Canada under the Non-Immigrant Employment Authorization program. Moreover, Michalowski has found that,

...overall, labour migration under the auspices of the Canadian Employment Authorization Programme, although temporary in the sense of the legal right of persons to settlement, is in practice predominately long-term migration... It is evident that, over time, visa workers increasingly became long-term residents in Canada. Interestingly, this is a universal pattern of visa worker flows, regardless of origin. It is, however, especially reinforced among workers from all American sub-regions except North America [US and Mexico]. At the end of the 1980s, close to 80 percent of Caribbean workers and about 90 percent of those from Central and South America had resided in Canada for at least 12 months. The overall North American proportion has never exceeded 30 percent (1992:11).

Furthermore, whether a worker is from the EACs or the LEACs is a factor in the *length* of time employed as an unfree wage worker in Canada.⁸⁸ There is a relationship between whether a worker arrives from a LEAC or an EAC and is employed under a short-term (periods of less than one year) or long-term (periods of more than one year) temporary work visa.

⁸⁸ Unfortunately, there is no available information which cross-tabulates length of employment authorization with occupation *and* source country. Therefore, the figures presented in Tables 4.8 and 4.9 include people who cannot be considered as workers. These are: entrepreneurs; artistic, literary, performing arts; sport and recreation and; not stated. The numbers do not exactly match those listed in Tables 4.3 and 4.5 because the information provided by CIC, 1995 are consistently lower than those provided by EIC for these years. I have chosen to use the figures from CIC, 1995 for the bulk of the study as they are considered most accurate by the department itself (CIC, 1995).

Table 4.9
Short-term Employment Authorizations Issued in Canada
by EACs and LEACs, 1985 to 1988 (numbers and percentages)

Year	EACs	LEACs	Total
1985	80,439 (75)	26,773 (25)	107,212 (100)
1986	86,489 (68)	41,014 (32)	127,503 (100)
1987	85,505 (64)	48,447 (36)	133,952 (100)
1988	94,820 (67)	45,943 (33)	140,763 (100)

Source: EIC, 1986;1987;1988;1989.

Table 4.10
Long-term Employment Authorizations issued in Canada
by EACs and LEACs, 1985 to 1988, (numbers and percentages)

Year	EACs	LEACs	Total
1985	20,523 (29)	49,430 (71)	69,953 (100)
1986	23,006 (29)	55,238 (71)	78,244 (100)
1987	29,189 (30)	68,435 (70)	97,624 (100)
1988	33,203 (26)	93,110 (74)	126,313 (100)

Source: Employment and Immigration Canada, 1986;1987;1988;1989.

While the absolute numbers in both categories have increased, it is clear from Table 4.9 that a greater proportion of people from the EACs are issued short-term temporary work visas while the opposite is true of people from the LEACs. Conversely, Table 4.10 shows that while still highly significant in the numbers of people admitted on short-term visas, people from the LEACs make up the bulk of people issued long-term temporary work visas. We find that in 1985, the EACs sent 75 percent of all short-term employment authorization holders but only 29 percent of those on long-term employment authorizations. Conversely, in the same year 25

percent of short-term holders of employment authorizations were from the LEACs while they made up 71 percent of long-term holders (EIC, 1986).

Given global disparities in wealth and choices, we find that people from the LEACs are in a position where they must accept employment conditions which are unfree and temporary for longer periods of time than do people from the EACs. It is safe to say then, that for many people from the LEACs, a temporary stay in Canada is becoming a much more permanent feature of their ability to work in the country. Importantly, both the absolute numbers and the proportion of workers from the LEACs forced to work in Canada under unfree conditions is increasing.

Table 4.11
Workers admitted to Canada Under Temporary Employment Authorizations
by EACs and LEACs, 1973 to 1993 (numbers and percentages)

Year	EACs	LEACs	Total
1973	42,385 (61)	27,516 (39)	69,901 (100)
1974	49,467 (69)	22,306 (31)	71,773 (100)
1975	55,458 (72)	21,691 (28)	77,149 (100)
1976	48,507 (70)	20,861 (30)	69,368 (100)
1977	46,610 (76)	20,520 (24)	67,130 (100)
1978	10,334 (71)	4,125 (29)	14,459 (100)
1979	22,814 (71)	9,182 (29)	31,996 (100)
1980	n/a	n/a	n/a
1981	61,657 (63)	35,093 (36)	96,750 (100)
1982	56,329 (55)	45,180 (45)	101,509 (100)
1983	55,338 (63)	32,362 (37)	87,700 (100)
1984	56,775 (50)	56,522 (50)	113,297 (100)
1985	66,265 (49)	67,902 (51)	134,167 (100)
1986	72,032 (48)	78,435 (52)	150,467 (100)
1987	76,507 (49)	80,895 (51)	157,492 (100)
1988	85,507 (44)	108,947 (56)	194,454 (100)
1989	70,866 (42)	98,138 (58)	169,004 (100)
1990	75,293 (43)	101,084 (57)	176,377 (100)
1991	76,721 (40)	114,671 (60)	191,392 (100)
1992	73,880 (41)	104,400 (59)	178,280 (100)
1993	65,594 (43)	88,394 (57)	153,988 (100)

Source: Citizenship and Immigration Canada, 1995.

As we see in Table 4.11, in 1973, 61 percent of all unfree wage workers employed under temporary visas were from the EACs. This number drops to 43 percent, however, by 1993. Conversely, the proportion of workers from the LEACs increases from 39 percent in 1973 to 57 percent in 1993. Thus, there is a clear trend towards the decrease in the number of people from the EACs and an increase in those from the LEACs. While working under conditions of unfreedom, by definition, denies workers from any country the ability to competitively enter labour markets to negotiate for better wages or working conditions, it appears that over time, Canada has increasingly sought out sources of labour power which have been historically cheapened (Sharma, 1994). Furthermore, the absolute number of people admitted on employment authorizations has increased dramatically during this period. This increase, then, took place by admitting more and more people from the LEACs to Canada.

Most of this increase is accounted for by the absolute growth in numbers of workers coming from various Asian countries. In this regard, Canada, again, has conformed to world norms, for the importance of Asia as a source of unfree contract labour has increased enormously throughout the period under study (Appleyard, 1991:40-1). In 1973, less than 10,000 workers arrived from Asia.⁸⁹ This figure remained fairly stable throughout the 1970 and by 1983 a little over 10,000 workers came from Asia. By 1993, however, over 45,000 workers arrived from various Asian countries. Thus, by the end of the period under study, over 30 percent of all workers employed under the unfree conditions imposed by their temporary work visas came

⁸⁹ The category of "Asia" does not include Turkey, which the government has listed as under Europe. Neither does it include those workers entering from Japan. Japan has been separated because it is clearly an economically advanced country. As the remaining countries in Asia cannot be properly classified as such, Japan has been excluded in order to make tabulation for EACs and LEACs more accurate. Japan is, therefore, included in the EAC category.

from Asia (CIC, 1995). As mentioned before, China and the Philippines were the source countries for the majority of these workers.

4.7 The Differentiation of "Temporary" Workers from Others in Canada

With the increase in numbers of unfree workers and their subordinate working conditions, one would expect that coalitions between free and unfree wage workers would be formed. However, the rights and privileges available to unfree wage workers differ so drastically from others in the Canadian work force that they form a separate pool of labour. The over-riding issue is the lack of choices available to them (Wall, 1992:270).

Workers admitted on temporary work visas have terms and conditions of employment imposed upon them under the Immigration Act, unlike permanent residents or citizens. Through the stipulations imposed upon them by temporary employment authorizations, these workers are forced to work under conditions of unfreedom. During the period of study, this has not been the case for any other group of workers in the country.

Other workers in Canada have, at least, the formal right of choice in regards to their occupation, employment, employer and location. They are not legally obligated to any one job, any one employer or any particular occupation. They have mobility rights that are denied to workers working under temporary employment authorizations. Workers on temporary work visas have little or no choice in these areas and as Wall as stated, "may feel compelled to adopt those attributes deemed desirable by their employers so they can earn an income" (1992:270). As such, the methods of social control are greater upon workers employed on employment authorizations.

The very fact that workers on employment authorizations face restrictions upon their mobility allows employers that much more control over many aspects of

their lives. For instance, for the thousands of farm workers admitted annually under the Non-Immigrant Employment Authorization Program, permission from the employer is required simply to leave the property of the employer (Wall, 1992:268). Likewise, domestic workers are forced to live with their employer as a condition of entry into the country (Arat-Koc, 1992; Cornish, 1992; Affiliation of Multicultural Societies and Service Agencies (AMSSA), 1993). Moreover, temporary visa workers do not have the right of family reunification, unlike permanent residents, because of their "temporary" status in the country.

Other methods of controlling or limiting the resistance of workers on temporary employment visas rests in the fact that they are prevented from unionizing. The fact that this work force is rotated hinders efforts to form collectives. In some cases there is a formal denial of such a right as in the case of farm workers employed under temporary work visas (Wall, 1992:264). In other cases, workers are prevented from forming associations by more simple or personal control mechanisms. As in the case for foreign domestic workers, forced to live in the residence of their employer, their ability to organize and ultimately strike is severely constrained by the fact that their place of work is also their place of residence (Bagon, 1995).

Furthermore, Wall has found that many temporary visa workers, in their attempt to secure future employment in Canada, do not organize, because of fear of retaliation by the employer upon whom they pin their hopes for future work in the country. This is because "eligibility for extended employment opportunities depends on whether employees are [seen as] desirable workers" (Wall, 1992:269). The fear of deportation if the employer is displeased in any way also is an over-arching factor controlling these workers militancy and should not be under-estimated, particularly given the conditions that force many of these workers to migrate in search of employment abroad in the first place.

The denial of citizenship (or permanent resident) status also differentiates workers employed on temporary employment visas from others in Canada. Their "temporary" status is used to deny them the rights normally associated with citizenship, i.e. civil, political, social and mobility rights. For instance, while federal and provincial human rights acts normally protect workers with respect to employment or any term or condition of employment because of the race, colour, ancestry, place of origin, political belief, religion, marital status, physical or mental disability, sex or age or because of a conviction for a criminal or summary conviction charge that is unrelated to the employment or to the intended employment of that person, it does *not* protect against discrimination on the basis of citizenship status or a lack of permanent or legal resident status in Canada (AMSSA, 1992:11).

The lack of a legally binding contract further compounds the discrimination faced by workers admitted under the Non-immigrant Employment Authorization Program. The problem of enforcement results, in part, from the prevailing division of power between the federal and provincial levels of government (Breti and Davidson, 1989). Workers employed under temporary work visas are caught in a double bind since they are, on the one hand, *bound* by employment agreements witnessed and enforced by the federal immigration department but they are not *protected* by the terms of such an agreement because labour legislation is under provincial jurisdiction. Indeed, federal employment agreements cannot be legally binding upon the employer since they are not considered labour contracts (CIC, 1994a).

In studying these factors, AMSSA concludes that,

the agreement works out to be a "contract" with respect to the rights of the employer and the obligations of the employee, but a loose agreement with respect to the rights of the employee. Indeed...workers are caught between a federal government which promises protection and provincial

statutes which, either do not provide or are ineffective, in protecting foreign... workers (1993:9-10).

Workers admitted to Canada under the Non-immigrant Employment Authorization Program are further differentiated from other workers in regards to their ability to access social programs. The Canadian government denies workers employed under temporary visas access to social services, such as unemployment insurance programs or social assistance because they are deemed to be "non-immigrants." Only citizens and permanent residents are eligible for social programs in Canada. Again, since this group of workers do not have recourse to the social wage, not only is their comparable living standard considerably lower but they are also much more vulnerable to employers' demands than workers who have the option of becoming decommodified and standing outside the formal labour market through their access to social welfare provisions.⁹⁰

Thus, while temporary visa workers are unable to sell their labour power freely, they are also unable to decommodify their labour power through access to social programs. It is argued that in this way, the Non-immigrant Employment Authorization Program has allowed the state to have "the maximal benefit of importing labour from all over the world without having to finance the overhead costs of labour reproduction" (Bolaria, 1992:212). Thus, the employment authorization program allows for the externalization to another state certain of the costs of labour force renewal (Buroway, 1976).

The discrimination faced by workers admitted under the Non-immigrant Employment Authorization Program in regards to social programs is further compounded by the fact that they pay fees and taxes to the government. Indeed, to

⁹⁰ It is argued that any reduction or elimination of the social wage represents a wage cut for the affected worker. Indeed, social programs, such as health care can be said to be part of the real income of workers. Thus, for workers employed under temporary work visas, their lack of access to the social wage represents a lower wage rate than those who do have access to social programs.

enter Canada under the unfree conditions imposed by temporary employment authorizations, workers are charged a non-refundable "processing fee." In 1993, this fee was \$100 (CDN) (Serafico, 1995). Thus, the government received over \$15 million from the 153,988 workers admitted to Canada under this program in 1993. Furthermore, in the years between 1973 and 1981, foreign domestic workers *alone* paid over \$11 million into social program funds but were not eligible to make claim on these funds because of their non-permanent status (Arat-Koc, 1989).

4.8 Legitimation for the Differential Treatment of Temporary, Foreign and Unfree Labour in Canada

One would assume that with the extensive use of unfree labour power in Canada, governments and employers would face both numerous questions and more public resistance concerning the unequal treatment of temporary visa workers. As will be shown, however, the denial of citizenship rights, the non-immigrant labeling and the invisibility of the program all contribute to the legitimation of their exclusion from the same rights available to permanent residents and citizens in Canada.

The Non-immigrant Employment Authorization Program, is probably one of the least discussed aspects of Canadian immigration policy. Indeed, for most years, it is excluded from annual immigration statistics published by the government. It was not until 1980, a full seven years after the implementation of this program, that statistics began to be publicly disseminated by the government on the number of people entering the country on employment authorizations.⁹¹ Thus, rather than providing public and easy access to such information, one must usually contact the department and request information, thus assuming that one is already aware to some extent of the existence of

⁹¹ From 1980 to 1988 information is provided within the annual statistics on immigration levels to Canada, however, beginning in 1989 no information is publicly disseminated until 1993 when limited information begins to appear.

the program. This has led to the specialization of its study instead of enabling a popular understanding of its impact upon Canadian society.

The more or less invisibility of this program promotes the notion that only landed immigrants account for the numbers of people entering the country (Michalowski, 1993). Official levels of annual immigration into Canada exclude the number of people who enter on employment authorizations. Thus, for 1993, we are told that the official number of immigrants is 254,321. If we add the total figure for workers entering on temporary work visas (153,988) then the number of people entering Canada in that year as either permanent residents or as workers with temporary employment authorizations would be 408,309.⁹²

Foreshadowing the move to more and more regressive definitions of citizenship, the Canadian state labels those entering the country on temporary work visas as "*non-immigrants*," thus providing the legitimacy for excluding them from statistics on *immigration* levels to the country.⁹³ Consequently, people entering Canada on temporary work visas have been excluded from any systematic or comprehensive demographic and socio-economic analysis of their impact on Canadian society.

However, as Michalowski points out, "it is easy to recognize...that they contribute to the economy as they...hold jobs and pay taxes. They are also consumers of goods and services, requiring housing, education and health care" (1993:62). Furthermore, given that the definition of an immigrant usually includes a person

⁹² This total excludes people entering the country on student visas, visitors visas or as entrepreneurs, artists, sports people, refugees with generic visas and "not stated" visas within the Non-Immigrant Employment Authorization Program.

⁹³ In this respect, then, the move towards linking immigration with citizenship through the newly created (1993) Department of Citizenship and Immigration Canada is a significant one. Indeed, successive Canadian governments have historically used citizenship as a tool to exclude the First Nations people, people of colour and women. As Citizenship and Immigration Minister, Sergio Marchi, has stated, the department intends to make citizenship easier to revoke. The inclusion of immigration with the citizenship portfolio may not bode well for foreign workers (CIC, 1994c).

leaving one country for another (other than to be in a country as a tourist or visitor), this categorization is clearly an ideological legitimation tool that helps to ensure the invisibility of this program.

Along with being labeled as "non-immigrants," workers admitted under the Non-Immigrant Employment Authorization Program are designated as "temporary" persons within Canada. To define a human being as *temporarily* living in a particular situation has historically made it more palatable to deny her or him the same rights available to those classified as "permanent" (Chan, 1987). The notion that some workers migrate to Canada only as "sojourners" rather than with the intention of establishing permanent residency adds legitimacy to this unequal treatment, since it adds a voluntary veneer to the exploitation experienced.⁹⁴

The supposed 'voluntary' characteristic of the movement of migrant workers adds to the notion that temporary visa workers are either fortunate to be able to work in Canada or that they themselves 'choose' to work as unfree wage labour, thus, protests of sub-standard working and living conditions ought not be heard (see Withers, 1994). In Sedef Arat-Koc's view, "in this discourse, immigration ceases to be viewed as a labour recruitment mechanism and becomes a system of "charity..." " (1992:238). However, to describe the situation of unfree wage workers in Canada as "privileged" and "fortunate" seems somewhat perverse, for these are often the same working conditions that Canadian citizens or permanent residents often find unacceptable (see Arat-Koc, 1992).

⁹⁴ The myth of the sojourner has existed as an explanation for discrimination against certain groups of workers, especially workers from Asia, since Canadian confederation. For example, while there is no doubt that some immigrants from both the EACs and LEACs intended to stay only for a brief period in Canada, it is workers from the LEACs who were categorized as temporary rather than permanent residents and, as such, the discrimination they faced was seen as legitimate by many. *Importantly*, the Asian population was singled out for the "sojourner" label because they were the ones most affected by the 'coolie' system of labour recruitment that is, the system of indentured servitude characteristic of the international movement of labour in the period 1830 to 1920 (Potts, 1990:202).

Yet, many continue to consider those workers made to work under conditions of unfreedom within Canada as fortunate to be able to do so. It is at this point that the fact that it has been foreign workers who have been first targeted for the imposition of unfree conditions becomes significant. Indeed, in the economically advanced capitalist countries, it has always been the "foreign" population which has been first targeted to work under these circumstances (Meyer, 1973; Carchedi, 1979; Jenkins, 1982). Sassen (1988) argues that what allows foreign workers to be used as a cheap and weakened form of labour power are not any inherent qualities embodied in this work force but state regulations that render them socially and politically powerless. This, in turn, allows foreign workers to be used in conditions that are more favourable to capital than if members of the domestic work force were employed.

This program, therefore, should be considered as a means of institutionalizing discrimination since, by definition, the people who come to Canada to work under its auspices are not considered full and equal members of the state. Instead, all are accorded permanent "temporary" status. While they are encouraged to work in Canada, they are discouraged from settling as permanent residents - the first step in becoming a citizen. According to Mustafa Koc,

the notions of "nation" and "citizenship" introduced by the national state system have played important roles in defining membership... The notion of citizenship has complemented this process [of creating the idea of "nation"] by separating the "foreigner" from the "member" as legal categories... [Thus], the nation state has created a new platform of legitimacy for the negotiations among dominant social classes/groups in different geographic spaces... (1992:10-11).

The restriction of social and political rights to "members" has resulted in the creation of obstacles to the free movement of both capital and labour. However, this is presently occurring in a contradictory fashion, for as capital increasingly enjoys the right to national treatment, i.e. citizenship status, workers face the denial of such

rights. Instead, foreign workers have progressively been subject to greater constraints upon their mobility and have been singled out for differential treatment once within the formal confinement of the nation-state.

Indeed, as Bhagwati has noted,

there is practically universal agreement, among modern states, that the free *flows of human beings*, no matter how efficacious for world efficiency, should not be permitted. Today, immigration restrictions are virtually everywhere, making immigration the most compelling exception to liberalism in the operation of the world economy (cited in Zolberg, 1992:313).

The free mobility of labour is increasingly available only to "citizens" within the territory of the nation state. For 'others', varying levels of restrictions apply. Indeed, for a growing number of migrant workers, freedom is checked at the border, since many now work as unfree contract labour.

The distinctions of "citizen"/"non-citizen" as well as "immigrant"/"non-immigrant" have served to exacerbate political tensions within a globalized economy. Mustafa Koc observes that "among the unemployed, under-employed victims of economic re-structuring and "rationalization" in the Western world, globalization has strengthened populist or nationalist movements tainted with anti-immigrant and racist tones" (1992:14). Racist, sexist and imperialist ideologies as expressed through dominant notions of the inferiority of women or people of colour, discriminatory practices in the labour market and the political system, as well as in everyday life, combine to create a situation where workers employed under temporary work visas face great disadvantage in Canadian society.

Neither economic factors nor discriminatory ideologies alone sufficiently explain this discrimination (Creese, 1988). Instead, temporary visa workers form a separated pool of labour within Canadian society whose social status is established

through state immigration policies which not only reflect ideologies that help to legitimate unequal treatment but which create the objective conditions for this discrimination to continue through the legislated denial of citizenship and political rights.

As a result, temporary visa workers have been socially defined as more exploitable than permanent residents. The ideologies which serve to make "foreigners" or "non-immigrants" or "temporary" workers more vulnerable than others in Canadian society help to legitimate their subordinate positions. Their subordinate positions afford these workers fewer choices and consequently make them cheaper to employ than other workers. The notion that these people are *legitimately* discriminated against weakens attempts to strengthen their rights.

These very notions also weaken the collective strength of workers in the country, since the "cheapness" of any one group of workers contributes to the loss of working class strength (Sharma, 1994). The notions of "citizen"/"non-citizen" also exacerbate disunity within the working class and make it more difficult to act collectively to advance the interests of workers in opposition to employers. Furthermore, the ideology of nationhood allows for adherence to a fictitious "nation" to be given more saliency than to the emergence of working class consciousness (Koc, 1992). Because temporary visa workers are not a part of the nation or the state, they are, incorrectly, perceived as insignificant in the struggles of other workers.

4.9 Summary

The Non-Immigrant Employment Authorization Program, in operation since 1973, is the key avenue by which we see the continued existence and actual expansion of unfree forms of labour power in Canada. Through its regulations, foreign workers are admitted to work in the country under various restrictive conditions. They are recruited to work for a pre-specified employer, within a pre-specified occupation, at a

pre-specified location and for a pre-authorized amount of time. Workers are bound to meet these conditions or face deportation. For the period of study, we have seen that the vast majority of workers specifically recruited for their labour market contributions have entered under the unfree conditions imposed upon them by their temporary work visa.

The Canadian state is able to impose conditions of unfreedom upon the majority of foreign workers since the heightened mobility of labour within the current world market for labour power decidedly favours the countries which recruit migrant workers. It is they who are able to regulate the entry and labour market position of foreign labour. Competition between workers who are caught in this international movement of workers is intensifying. More and more countries are involved in the sending of labour abroad, thus, increasing the "buyer's market" apparent in this process. Indeed, the movement of unfree contract labour is coming to dominate the international transfer of labour.

While touted by Canadian governments as a "temporary" solution to "shortages" in the supply of labour in the country, we have seen that the use of foreign unfree contract labour is becoming a permanent feature of the Canadian labour market. Both the increase in absolute numbers as well as the increase in duration of "temporary" work visas attests to this point. The lack of rights and protections afforded to workers recruited under the auspices of the Non-Immigrant Employment Authorization Program allows the state to legislate the conditions whereby a separate pool of foreign labour exists in Canada that employers can take advantage of, therefore, highlighting the qualitative nature of labour "shortages" in the country.

We have seen that workers recruited through this program have a much weaker labour market position within the country than do other workers since they lack the mobility rights available to free wage labour, are denied de facto access to

social programs and because of the rotational nature of the recruitment process, face heightened barriers to organizing to defend their interests. The fact that employers are able to recruit and expel foreign unfree workers according to their labour requirements increases the flexibility of the program and allows for its diversified use.

The diversity of the Non-Immigrant Employment Authorization Program extends not only to the employment of unfree workers within a majority of non-professional and a minority of professional occupations, it also extends to the differential use of women and men as well as people from the LEACs and EACs. We see that this unfree labour recruitment program perpetuates the gendered and racialized labour markets already in existence in Canada. However, by its continued use, it further entrenches a stratified and hierarchical labour market which leaves women and people from the LEACs working in subordinate occupations in the country's labour market.

It is argued that the government's ability to entrench the use of unfree wage labour in the country through the operation of the Non-Immigrant Employment Authorization Program rests in its ability to legitimate the unequal treatment of workers because of restrictive definitions of citizenship which sanction discrimination against "foreigners," the use of notions of 'temporariness' that help to muffle protests of unequal treatment and the reliance upon sexist and racist ideologies that lay deeply embedded within Canadian society. This is a most unfortunate situation for both the workers directly affected by this program and for all other workers in the country since the existence of this highly weakened and separate body of labour augments downwards pressures upon the wages, working conditions and rights available of the Canadian work force. As conditions of unfreedom are more easily imposed when workers experience declines in their ability to resist the entrenchment of mobility

restrictions, it is highly likely that more and more workers within Canada will be forced to work under unfree conditions.

5. Conclusion: Capitalism and Unfree Labour

Since the outset, this thesis has raised theoretical contentions over conceptualizing the increased mobility of capital without a corresponding understanding of the importance of international movements of labour. Also questioned has been the notion that the exploitation of unfree forms of labour power would remain a pre-capitalist relic. Indeed, it has been found that these two areas within international political economy have been sorely understudied leading to a misconceptualization of the importance of unfree labour to the restructuring strategies of capital, particularly in manipulating the international migration of labour.

Contrary to the predictions of some analysts, it has been shown that greater capital mobility, far from lessening the movement of workers, has actually added pressure for *heightened* labour mobility. Many of the countries which have experienced a large influx of direct foreign investment have also experienced a substantial out-flow of workers displaced by both agri-businesses and export-oriented manufacturing or service sector investment in their urban centres. In fact, labour migrations now comprise the movement of over 100 million people yearly in search of employment. Indeed, the number of migrant workers has doubled since the 1980s. Both the 'supply' factors within sending countries and the 'demand' factors within the receiving countries have patterned this movement of labour.

It has been shown that the world market for labour power continues to be shaped by capital's requirement for labour power. As throughout the history of capitalism, though, gaining access to labour power that shares *particular* characteristics remains of vital import. Within the current process of capitalist restructuring, the search for cheap, politically subjugated labour power constitutes a pivotal strategy in resolving the crisis of accumulation. At the same time, increased capital mobility has intensified competition within the world market for labour power.

This enhanced competition has objectively restructured the decisions of capital investors and the response by individual nation-states.

Indeed, nation-states unable to offer the type of work force sought after by capital investors have encountered 'shortages' within their labour markets regardless of staggeringly high levels of unemployment experienced by their work force. As a result, shaping the supply of labour has gained greater importance throughout the period under study. There has, therefore, been a fundamental re-shifting of the environment shaping state policy formulation. State policies have placed increasing emphasis upon the accumulation demands of capital at the expense of concrete benefits to workers. This is particularly evident within the immigration policies of many states. Increasingly, individual nation-states have attempted to enhance their competitiveness within the world market for labour power by offering employers access to foreign labour power.

The international migration of labour has not, however, come to take the form of transfers of free wage labour power alone. Instead, individual nation-states within the world market for labour power have increasingly imposed conditions of unfreedom upon a growing number of foreign workers entering their territories to work. Indeed, there has been an institutionalization of unfree contract labour recruitment as more and more countries try to promote themselves as a source for unfree contract workers while a larger number of countries become significant importers of this unfree wage work force.

Hence, in challenge to theorists arguing that unfree labour is uneconomical, inefficient and bound for the proverbial dust heap along with other 'feudal relics', we have seen that far from having been eclipsed by the further development and expansion of capitalism, unfree labour is actually flourishing as an integral component of capitalist restructuring. In fact, the current restructuring strategies of both capital and

the state have relied, to a great extent, upon the creation and introduction of unfree forms of exploiting labour power.

When reviewing macro-economic policy shifts within supra-national organizations, such as the Organization for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF) these findings come as no great surprise. We have seen that throughout the period of study both of these influential organizations have come out firmly in favour of policies that aid in both the cheapening and subordination of labour within the confines of individual nation-states.

While they have strongly advocated for the greater freedom of capital, they have made strong recommendations regarding the denial of corresponding freedoms for labour. Nowhere is this more apparent than in the lack of congruity concerning the augmentation of mobility rights for capital, enshrined, for instance, within concepts of national treatment while migrant labour is increasingly forced to forego such rights and freedoms as a condition of entry to a greater number of countries throughout the world.

In Canada, governments have followed the recommendations of the IMF and the OECD, of which it is a member, as well as national business interest groups, such as the Business Council on National Issues and the Canadian Manufacturers' Association, regarding the restructuring of its labour force. These recommendations have been intent on withdrawing the substantial gains made by large parts of the working class in the 25 year period following the second world war. Labour market policies which offer workers recourse to the market economy and protection against employers have been particularly targeted for significant reduction, if not outright elimination.

Programs representing concrete benefits to workers and acting as insulators from market forces, such as unemployment insurance and social assistance

entitlements have, therefore, increasingly been diverted to accomplish accumulation objectives. Indeed, labour market policies of all types have been designed to ensure the "efficient adjustment" of workers to the demands of employers. An end to a policy of full employment, cut backs in the social wage and heightened coercive actions by the state have all served to weaken labour in an attempt to make Canada competitive within the world market for labour power.

Yet, such attacks, while leaving the work force substantially weakened and expanding the reserve army of labour within the country, have not reduced the domestic work force in Canada to the point that they are truly competitive with the work forces of less economically advanced countries (LEACs). Consequently, Canada has increasingly relied upon the reserve army of labour *outside* of its borders. Indeed, it has been held that foreign labour has "offer[ed] a solution to the cheap labour question in strategic locations of the economy at a time when important processes of economic restructuring and reorganization [have taken] place" (Sassen, 1988:128).

In order to become competitive within the world market for labour power, the Canadian state has become one of the growing number of states reliant upon the importation of migrant contract labour. Indeed, while greatly lessening the restrictions placed upon the mobility of capital, Canada has put into place severe mobility restrictions upon foreign labour once in the country.

Since 1973, unfree wage labour has been introduced into the Canadian labour market through the use of the Non-Immigrant Employment Authorization Program. The unfreedom of workers admitted under its authority is manifested in both political and economic terms. Politically, the state plays a decisive role in constraining the choices available to these workers. Workers admitted on temporary work visas do not have the legal protections afforded to other workers in the country. They are also unable to stand outside of the labour market through access to the country's social

programs. Temporary visa workers are often prevented from unionizing through both formal and informal means. This lack of choices makes them a highly vulnerable part of the Canadian labour force.

Economically, these workers are constrained from selling their labour power freely. Both the mobility of these workers and the options available to them are, thus, severely constrained. The extra methods of social control available to employers are guaranteed by the Canadian state. It is the Immigration Department that stipulates who the employee works for, where s/he works, what type of employment s/he works in, the conditions of that employment and the length of stay in both the job and the country. Prior written permission to change any of these stipulations is needed from the Department. Otherwise, the worker is faced with deportation.

Workers admitted on these temporary work visas are unable to competitively enter labour markets for opportunities to negotiate their wages or working conditions. Since workers are tied to both the employer and the occupation, employers are able to avoid having to make the necessary improvements in wage levels or working conditions that would attract free wage workers. Because of jurisdictional overlaps between federal and provincial levels of government, the employment contract entered into by foreign workers while abroad is not enforced in regards to the rights of the worker but is stringently applied in regards to the demands of employers.

Since its implementation, workers have increasingly been filtered through this program. Indeed, most foreign workers now enter the country as temporary visa workers rather than as permanent residents. In fact, with the exception of 1978 and 1979, in every year since 1975, the number of "non-immigrant" workers has far exceeded those given landed status. If we examine only those people recruited from abroad for entry into the Canadian labour market ("immigrant" and "non-immigrant" workers), the numbers are even more disparate in favour of the employment of unfree

wage labour. The ratio of unfree to free labour recruitment stands at an average of 4:1 throughout the period of study. The issuance of temporary employment authorizations, therefore, dominates the movement of foreign labour to Canada.

The significance of 'temporary' unfree wage workers seems especially marked during periods of decline in the permanent component of annual immigration streams. Thus, the number of landed immigrant workers entering the country appears to be subject to greater fluctuation arising from economic, social or political forces which seek to discourage or eliminate immigration. The invisibility of this program may aid in its ability to remain unaffected by these pressures. Indeed, it can be said that the program is used by the state to convert immigrants who, otherwise, would enter as permanent residents, into a temporary migrant work force while still meeting the labour market needs of employers.

Employers are ensured of a highly 'flexible' work force, because the Canadian state provides them with a steady and stable supply of foreign workers upon demand. Thus, there is a meeting of "sending" and "receiving" conditions within the Non-immigrant Employment Authorization Program for, workers who have little choice but to migrate are met in Canada by employers who wish to have a guaranteed work force that can be forced into particular working situations. The state mediates this transaction.

To reiterate a point made by Philip Corrigan, "...lacking the most elementary 'civil rights', denied membership of a trade union - what better vanguard against the organized labour movement could be found?" (Corrigan, 1977:448). Indeed, it is not only employers who directly use the Non-Immigrant Employment Authorization Program that benefit from the program. Instead, it is argued that the program enables the class of employers, with the assistance of the state, to help weaken the entire working class. Because many of the so-called labour "shortages" identified by the state

are qualitative rather than quantitative in nature, the employment authorization program gives employers the opportunity to undercut the wages, working conditions and protections of the domestic labour force. This benefits capital in the country by providing them with another means by which to gain "concessions" from workers.

Thus, Canadian immigration policy, through the Non-Immigrant Employment Authorization Program, is helping to facilitate the internal restructuring of Canadian society along neo-conservative lines. It does so by providing employers with a cheaper and more subjugated work force and by the threats that workers forced to work in sub-standard situations pose to the already weakened security of workers in the country. It is a part - a significant part - of Canada's cheap labour strategy.

The legitimacy of the program derives from its invisibility as well as the already dominant ideologies of racism, imperialism and sexism in operation within Canadian society. The divisions caused by the exercise of practices and policies which reflect these discriminatory ideologies allows for the continued assault against certain groups of workers, particularly women and people from the LEACs. The program not only mirrors but further entrenches both racist and sexist segregation practices within the Canadian labour market.

Women and people from the LEACs are highly under-represented in the more skilled or professional occupations being filled by workers on temporary work visas and are instead relegated to subordinate occupations in the Canadian labour market. Importantly, both the numbers of people from the LEACs and their proportion of the "non-immigrant" work force is increasing. Given the negative impacts of globalization in the LEACs, we can assume that people forced to leave these countries are in a position where they must accept employment conditions which are unfree and temporary for longer periods of time than do people from the EACs. This is evidenced

by the fact that those employed on long-term temporary work visas are overwhelmingly from the LEACs.

The Non-Immigrant Employment Authorization Program also creates conditions for new assaults on people based upon categories of "citizen"/"non-citizen," "immigrant"/"non-immigrant" or "permanent"/ "temporary." We see that the operation of the Non-Immigrant Employment Authorization Program allows for discrimination based upon people's exclusion from citizenship rights and by being labeled as *non-immigrants* or as "temporary" persons within the country.

It, thus, seems safe to assume that Canada's immigration policy acts as a filter for the world market for labour power by restricting the free mobility of foreign labour within its borders and, in the process, reproduces and exacerbates many of the gender, ethnic and global disparities embedded in the international division of labour. Far from being relegated to the dust bin of pre-capitalist relics, then, unfree wage labour is flourishing. Indeed, it is a significant tool in the arsenal of current restructuring strategies for both capitalists and the state in Canada.

Indeed, barely twenty years after the introduction of conditions of unfreedom upon one group of foreign, "non-immigrant" workers, such conditions have been imposed on an increasing number of workers in Canada. Since the implementation of the Non-Immigrant Employment Authorization Program in 1973, workers' rights in Canada have been steadily reduced. By the end year of the study, employers clearly enjoyed greater power to enforce their on-going demands for a further diminishment of wages, working conditions and collective bargaining rights. Following 1993, such assaults, far from subsiding, have been stepped up. Again both the domestic work force as well as foreign workers have faced serious erosions of their quality of living standards and their rights.

Since 1993, the government has vastly expanded its power to impose conditions of unfreedom upon workers other than those admitted under the auspices of the Non-Immigrant Employment Authorization Program or the various foreign domestic worker recruitment schemes. Indeed, it is now empowered to force conditions of unfreedom upon *all* foreigners recruited to work in Canada. In 1993, Bill C-86, an amendment to the 1976 Immigration Act, was passed into law by Parliament. Through this amendment, the government is able to stipulate that foreign workers entering under the independent class are to work within specified occupations and regions as a *condition of entry* to the country.

The reason for this move, the government argues, is that foreign workers entering as permanent residents have "too much" latitude in choosing where to live and who to work for because they enter as free wage workers. As noted by Employment and Immigration Canada under the 1976 Immigration Act, "independent" applicants for landed status "...are *free* to move and work where they want - even to a region where their skills are not needed and where they are in competition with unemployed Canadians" (1992b, emphasis added). Bill C-86 extinguishes these rights by enabling,

...the government to stipulate where people, selected on the basis of needed skills, can settle or the kinds of jobs they may hold, for temporary, specified periods after coming to Canada. Applicants will understand that they gain the right to come to Canada because they agree to settle in a *particular* locale and/or work in *particular jobs*, both for a temporary, specified period of time (EIC, 1992b:3, emphasis added).

As with the Non-Immigrant Employment Authorization Program, the government legitimizes the implementation of unfree conditions by stating that immigrants will 'only' have to work under unfree conditions for a "temporary" period of time, after which they can return to the ranks of free wage labour (Cornish,

1992:131). Yet, as we have seen with the "non-immigrant" labour recruitment program, it is more than possible that the length of time in which workers must 'temporarily' work under conditions of unfreedom will continue to expand. As with unfree workers brought in under temporary work visas, it is likely that employers will continue to demand more and easier access to indentured labour. Thus, governments may come under increasing pressure to force workers to stay in certain jobs within particular geographical regions for ever greater amounts of time.

Unfree wage labour in the country is, thus, expanding beyond the scope of the Non-Immigrant Employment Authorization Program. As a result of these changes, workers employed as unfree wage labour will be available to employers as both "immigrants" and "non-immigrants." Thus, the 'success' of the Non-Immigrant Employment Authorization Program has translated not only to an expansion in the use of workers admitted on temporary work visas but also an extension of these conditions to more and more workers.

Even though employers will have access to unfree wage labour outside of the Non-Immigrant Employment Authorization Program, it is unlikely that this program will be withdrawn. Rather, the Department of Citizenship and Immigration (CIC) has stated that the program "...needs to better focus on assisting the Canadian business community and industry in meeting their economic objectives. To this end, the processing of temporary workers will be streamlined to ensure timely responses to...employer needs" (CIC, 1994f:34). In fact, it is expected that the temporary work visa program will continue to be used since workers entering under its auspices are not eligible for landed status in Canada at any time during their stay in the country unlike independent class immigrants.

Yet, it is no longer immigrants alone that are denied the ability to freely choose work. In July of 1995, the government passed into law Bill C-76, an amendment to the

Canada Assistance Plan Act. As of Fool's Day (April 1), 1996, four of the previous five rights of the Canada Assistance Plan will no longer exist.⁹⁵ The rights that this Bill eliminates are: 1) the right to income when a person is in need; 2) the right to an amount of income that takes into account budgetary requirements; 3) the right to appeal and; 4) *the right not to have to work for welfare* (Swanson, 1995:6).⁹⁶ The only right left intact is the right to income assistance regardless of the province the person is from. However, this mobility right becomes meaningless if people can be denied the right to income when in need.

The elimination of these rights again legalizes 'workfare' across the country. People receiving social assistance can, as a result, be forced to work in order to receive entitlements. As of July, 1995, workfare schemes already exist in three provinces, Quebec, New Brunswick and Alberta.⁹⁷ Despite their illegality to date, the existence of these schemes rely on economic coercion as well as being seen as legitimate by a large number of non-welfare recipients.

In Quebec, the government has reduced welfare rates to such lows that recipients cannot meet their basic needs. Recipients are then told that work is available to them that will "top-up" their entitlements. Welfare recipients are then matched with employers who have registered with the government. Companies hiring welfare recipients for jobs subsidized by the provincial government include, Canadian Tire, Zellers and the Hudson's Bay Company (Kilgour, 1995).

⁹⁵ The Canada Assistance Plan Act, in 1966, established the Canadian Assistance Plan (CAP). Its purpose was to provide citizens and landed immigrants with adequate social services and welfare. It also set national standards for welfare provision that all provincial governments were forced to follow to be eligible for federal contributions to their social service costs (Swanson, 1995:6).

⁹⁶ The elimination of these rights from the Canada Assistance Plan Act breaches the 1976 United Nations Covenant on Social, Economic and Cultural Rights to which Canada is a signatory. As with 'guest' worker schemes, workfare violates the Covenant requirement that work be freely chosen.

⁹⁷ Even though until April 1, 1996, workfare programs are illegal under the present Canada Assistance Plan, provinces using such schemes have not had the federal contributions to their social service costs held back.

New Brunswick has adopted a similar stance to meeting the basic needs of its residents. This province, where there are two workfare programs, has the lowest welfare rates in Canada (Kilgour, 1995). One of the workfare programs, called *New Brunswick Works*, hires social assistance recipients for public grounds maintenance jobs. In return for clearing parkland and hiking trails, participants receive their welfare cheque. The other program, the *New Brunswick Jobs Corps* is a "top-up" program that, like Quebec, subsidizes low-wage employers. In both Quebec and New Brunswick, welfare recipients are told that they cannot turn down jobs "recommended" to them by their social worker without losing all future entitlements (Kilgour, 1995).

Alberta too has taken a similar stance towards welfare recipients. However, Alberta has gone one step further than either Quebec or New Brunswick. In Alberta, welfare recipients are made to go off welfare and work in the Alberta Community Economic Development (ACED) program for a 20 week period. Following the 20 week period, workers no longer qualify to work within the ACED program. After this time, they are eligible for unemployment insurance (UI). In this way, the government claims to have drastically reduced the number of people receiving social assistance by forcing them first into ACED jobs and then onto UI. After UI benefits have been exhausted, workers start the cycle all over again - welfare to workfare to UI.

The thousands of jobs available within the ACED program are not a sign of a burgeoning economy, however. Instead, they are those jobs recently vacated by laid-off public and quasi-public sector employees. The former employees were laid off in the name of government cut backs to the public service. Union employees, then, have been replaced by non-unionized workers employed at half the previous wages.

The business sector has overwhelmingly endorsed Alberta's denial of adequate income to people in need. Indeed, as one *Globe and Mail* article recently stated, "After

the Alberta Premier speaks, in elegant ballrooms from Howe Street to Bay Street, CEOs line up for an autograph and a handshake. Quite often, they are heard to whisper, "We could really use someone like you in Ottawa" (April, 27, 1995).

It appears that other provincial Premiers have been impressed by these workfare schemes as well and intend to soon follow suit. In B.C., the Premier's office released the *Premier's Forum Report on New Opportunities for Working and Living* in June of 1995 (B.C., 1995). This report recommends that young people (19 to 24 years in age) ought to be forced to take "training, treatment or work" in order to receive public support (End Legislated Poverty (ELP), 1995:6). Likewise, the Ontario government has promised to bring in workfare in the fall of 1995. Leading up to the introduction of workfare schemes, the Ontario government has reduced welfare rates by 20 percent, thus, making it impossible for people to meet their basic needs. As in Quebec and New Brunswick, reducing welfare rates is perhaps Ontario's first step in employing workfare schemes which act as "top-up" or wage subsidy programs.

Workfare programs should be considered a form of employing unfree conditions upon the sale of labour power. Through such schemes welfare recipients do not have the right to freely choose work. Normally, they neither have the right to choose who to work for nor what kinds of jobs to do. Importantly, they do not have the ability to bargain for their wage rates or working conditions.

We may observe then, that conditions of unfreedom are expanding to include an ever widening spectrum of people in the country. Starting in 1973 with "non-immigrant" workers admitted to Canada under the Non-Immigrant Employment Authorization Program, moving on to foreign workers entering as permanent residents and now welfare recipients, particularly 'youth', the government has targeted groups who are among the most marginalized in society for the imposition of conditions of unfreedom. Like the Non-Immigrant Employment Authorization Program, inequalities

already in existence in Canada, are further entrenched with the imposition of conditions of unfreedom.

Governments, aware of these divisions, have, thus, attacked those with the least amount of support within the country. Yet, we should not be so foolish as to suppose that such attacks will stop. Rather, as with the spread of conditions of unfreedom, we can expect the attacks to spread throughout society. Indeed, more and more of the population, including citizens, are now threatened with similar circumstances. The "thin edge," so to speak, has widened and without an organized response it is expected that it will continue to do so.

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