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The undersigned recommend to the Faculty of Graduate Studies
and Research acceptance of the thesis

"CANADA AND THE WORLD SYSTEM"
submitted by Ronald Faustino-Santos, B.A. (Hons.)
in partial fulfilment of the requirements for
the degree of Master of Arts

Thesis Supervisor

Chair, Department of Sociology

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Abstract

The thesis offers an explanation for historical changes in Canadian immigration. These ‘transformations’ refer to: a) the changing source countries of immigration; b) shifting intercontinental migration trends between Canada and the United States; c) changes in the occupational distribution of immigrants; d) long term fluctuations in the number of immigrants admitted (i.e. immigration levels). A profitable framework for explaining these changes is to situate Canada within the global economy and to trace historically Canada’s changing relationship with other nation states in the World System. Evidence is provided that Canada’s more distant or secondary ties with labour-exporting nation states explains changing source countries of immigration. Canada’s proximate or primary ties are related to intercontinental migration, changes in the occupational distribution of immigrants and immigration levels.
Acknowledgements

The Acknowledgements section of a thesis is such a common practice that the exercise often takes on a trite, humourless and hollow tone. The recognition of persons who have contributed to the completion of this thesis is not given frivolously. I would like to thank the members of my committee; Professors Monica Boyd and Gertrud Neuwirth for their invaluable and knowledgeable advice. I would especially like to recognise Professor Gertrud Neuwirth whose support, throughout my graduate career, extended beyond that usually given from professor to student. For this, I owe her a debt. I would like to especially thank Brenda Woods for her keen editorial eye and rapier-like pen which made this thesis a model of consistency. My deepest appreciation goes out to Karen Johnston for carrying out the tedious task of editing important parts of this thesis. Thanks to Lisa Marshall for tracking down those always elusive references. Finally, I would like to thank friends (you know who you are) at both the Sociology Department and the Resource Research Division for Refugees for their persistent vigilance which kept me from straying too far from my appointed task. However, any omissions or errors are the sole responsibility of the author.
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List of Abbreviations

ASEAN  Association of Southeast Asian Nations
CPI    Consumer Price Index
EC     European Community
EEC    European Economic Community
EFTA   European Free Trade Association
EOI    Export Oriented Industrialization
EPZA   Export Processing Zone Authority
Eurobloc European Trading Bloc
FKTU   Free Korea Trade Union
FTA    Free Trade Area
FTZ    Free Trade Zone
GDP    Gross Domestic Product
GNE    Gross National Expenditure
GNP    Gross National Product
IDL    International Division of Labour
IMF    International Monetary Fund
IRAL   International Reserve Army of Labour
IS     Import Substitution
NIC    Newly Industrialized Country
NIDL   New International Division of Labour
OECD   Organization for Economic Cooperation and Development
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<td>OPEC</td>
<td>Organization of Petroleum Exporting Countries</td>
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<td>PAFTA</td>
<td>Pacific Free Trade Area</td>
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<td>PAP</td>
<td>People’s Action Party</td>
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<td>PEC</td>
<td>Pacific Economic Cooperation</td>
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<td>TNC</td>
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INTRODUCTION:
Canada in the World Economy

In a recent contribution to a long standing debate in Canadian sociology, Broad (1988) asks an often-posed question in his provocative title: Peripheralization at the Center: Whither Canada? Essentially, Broad attempts to trace the historical position of Canada in the global economy and comes to the same conclusion as others have: it is not easy to describe Canada in the world system. He is willing to concede that Canada possesses one essential feature of a developed (or 'core') economy --- it has a high wage labour force. However, the increasing reactionary attacks on the privileges of labour in Canada has led Broad to conclude that Canada may be slipping into developing economy (i.e. 'peripheral') status.

As was mentioned before, Broad is not alone in attempting to situate Canada in the global economy. While a thorough description of the debate is not within the scope of this thesis, Williams (1989) offers a succinct summary of the different views concerning the position of Canada in the global economy. He identifies four perspectives: a) the Dependency Perspective of Canadian Development; b) Canada as Intermediary; c) Canada as Advanced Imperialist; d) Canada as Region within the Centre. In the first perspective, Canada functioned as supplier of resource materials for the developed economies of the world, bringing Canada to the same status as many semi-industrialised and impoverished Latin American states. In the second perspective, (advocated by authors such as DRAININ & SWIT, CLEMENT, and EHRENSALT & ARMSTRONG) Canada is a minor power in the world economy, acting as mediator between the developed (core) and the underdeveloped
(peripheral) economies. Authors of the third perspective, (as represented by Moore & Wells, McNally and Carroll) perceive of Canada as an autonomous, minor imperialist and developed state. The last perspective, (as characterized by Laxer, Panitch, Emmanuel and Williams himself) assumes that Canada is a highly developed state but is a dominated regional economy (albeit independent politically and socially) within the greater U.S. economy.

Despite their (subtle) differences, all the perspectives emphasize commodity and capital flows between Canada and other states as evidence for their position. The perspectives described, ignore the significance of labour flows in determining Canada's position in the international economy. This has led to some interesting assertions about the relations of Canada with other global regions. Canadian academic attention has focused of late on the significance of the Pacific Basin (ie. Northeast and Southeast Asia) for the development of the Canadian economy. Yet, total export and imports to this region does not exceed ten per cent annually. In fact, the only significant Canadian trading partner remains the United States, whose post-war share of Canadian trade exceeds that of all other Canadian trading partners combined. Moreover, Canada has always been the favoured destination for American capital (ie. foreign investment). This does not mean to say that other global regions are not important to the Canadian economy. However, one must focus on labour flows in order to assess the importance of other global regions besides the United States to Canadian economic development. Thus, the importance of Asia for Canada, as an example, is not in its markets, but for its ready supply of surplus labour which can be exploited by Canada in the form of prospective migrants.
The purpose of this thesis is to explain different aspects of Canadian immigration by referring to different relations that Canada has with specific nation states in the global economy. As an example of such relations, Canadian involvement with nation states in the Pacific Rim will be compared to Canada's traditional association with states in the European community. Those aspects of Canadian immigration which can be explained by Canadian relations with other states are: a) changing the source countries for Canadian immigration; b) intercontinental migration between Canada and the United States; c) the occupational characteristics of Canadian immigrants; d) and the number of immigrants admitted to Canada, (i.e. the 'level' of immigration).

The first chapter will outline the theoretical framework which will be used in this thesis. It is asserted that structural factors, specifically those which have to do with the global economy, provide a superior explanation of international migration than the opposing 'rational individual choice' perspective. The chapter will continue by tracing the evolution of the global economy and describing those aspects of the global economy which are important in explaining international migration. The section on the Method of Inquiry will offer a conceptualisation of the world system and consequently, an explanation for international migration.

The second chapter will explain in more detail the processes at the level of the world system which explain the changing source countries. The processes are divided into the 'proximate' and 'distant' factors which affect the source countries for Canadian immigration. The distant factors and proximate factors have to do with general conditions in the global economy as well as the specific characteristics of nation states. It is argued
that it is the changing characteristics of specific nation states which explain changes in the source countries for Canadian immigration.

The final chapter will deal with Canadian relations with nation states which have an effect on migration between Canada and the United States, the occupational characteristics of immigrants and immigration levels. It is asserted that Canada's primary relationship (specifically, with the United States) in its regional economy, directly affects intercontinental migration between Canada and the United States. On the other hand, Canada's position within its own regional economy only indirectly affects the occupational characteristics of immigrants and immigration levels through the needs of the Canadian and immigration policy.

These chapters will attempt to show that a World System approach is a profitable way of explaining Canadian immigration trends. A distant goal of this thesis is a modest attempt at more precisely defining the position of Canada in the global economy.
CHAPTER 1:
Theoretical Considerations

1.0 Introduction

The purpose of this chapter is to outline the theoretical framework which will be used in the thesis. A description of the debate between structural versus individual explanations for migration will serve to introduce the body of structural explanations that will be called World System Theory. The relevance of migration within the world economy will be discussed and will centre around the dynamics of the World System which, as will be shown, create conditions for migration from under-developed (or 'peripheral') economies. These factors will be introduced through an assessment of industrialization in the developing economies.

The theoretical section will end with a critique of the world system theorists as a way of introducing the framework which will be used in this thesis. Two critiques will be highlighted. First, world system theorists are accused of attributing all phenomena to an abstract model (the World System) without any reference to what specific historical form this may take. It has been said that they ignore the specific historical relations between the elements of the system (ie. the nation states). Secondly, due to this extreme abstraction world system theorists also ignore the particular exigencies of the individual nation states. In light of these critiques the theoretical framework used in this thesis will involve situating Canada within the world system. Events within the country will be taken into account, as well as specifying the historical links to other nation states which have influenced Canada’s
position. Canada's position in the international economy will then be related to its changing immigration flows.

2.0 The Debate

Woods (1982) identifies two competing analytical frameworks in migration theory: the equilibrium and the historical-structural models. Differences between the two models can be examined in terms of the level of analysis, the historical specificity of the investigation and the methodological strategies pursued within each perspective (Woods, 1982:299). Population movement in the equilibrium model is conceptualised as the geographical mobility of workers who are responding to imbalances in the spatial distribution of land and labour (Woods, 1982:300). The unequal geographic distribution of the available factors of production determines the unequal remuneration for each one of these. Therefore, labour moves where it gets the highest remuneration (Amin, 1974:85). Migration flows are in turn the result of a number of individual decisions based on a rational evaluation of the benefits and costs entailed in moving. Thus the equilibrium model may be interpreted as being "a special case of the microeconomic theory of consumer choice" (Woods, 1982:301). The most important assumption of the microeconomic theory of choice is that the individual is perfectly free in his/her choice. Thus a decision to migrate or not to migrate is taken without reference to extenuating circumstances. The equilibrium model is therefore a formal theory of individual behaviour and the appropriate unit of analysis is that of the individual.
The most important assumption in the equilibrium model is that the flows of capital and labour from one geographical area to another tend to restore imbalances in factors of production:

By conquering the 'tyranny of space' and by redistributing human capital from places of low productivity to places of high productivity, migration is considered a 'development fostering' process that operates to correct ... interregional imbalances in factor returns (Woods, 1982:300).

Thus migration is viewed as mutually beneficial to both the receiving and sending regions.

It is due to the assumption of equilibrium in the international migration 'system' that a contending theoretical model for migration has been developed. In contrast to the equilibrium model, the historical-structural perspective emphasises the particular socio-economic and political 'matrix' that determine migration flows. In other words, what is of interest are the larger social processes that inform individual choices to migrate. For example, Singer considers individual motives for migrating less important than the structural changes that propel aggregate population movements, which he considers a priority (Woods, 1982:302).

This perspective assumes then that population movements can only be examined in the context of a broader historical analysis of the social structure in which the individual migrant is placed.

However, the most significant difference between the two models consists of competing ideas on the 'form' of the migration system. The equilibrium model assumes a symmetry between elements (ie. between cities, regions, or countries) in a migration system.
The historical structural model undertakes a class analysis where classes are defined by the social relations of production. Labour/capital exchanges, it is argued, do not operate in a state of equilibrium, but take place in a system of unequal economic development (Castells, 1975; Petras, 1979). Structurally, the relationship between the core and the peripheral regions, and the countries they encompass is defined by uneven development. The underlying dynamic of this uneven development is identified by Petras as the natural drive of capital towards concentration and centralization.

Post-colonial under-development in certain global regions continued to be fostered through the process of unequal exchange between the industrial nations and their former colonies. Unequal exchange is carried out through trade between developed and under-developed economies. Unequal exchange first took the form of commodity exports by industrialized nation states to former colonies. Due to greater mechanization in the advanced nations, commodities were cheaper to produce in the developed countries relative to the under-developed nations. Seen from the perspective of the under-developed economy, imported commodities can be sold more cheaply than domestically produced goods (Cheng, 1984:12). In terms of the global economy, it is the combination of the low prices that peripheral products are able to command in the competitive world market, plus the process of unequal exchange where the core sells to the periphery its high-priced manufactures goods which reinforces global inequalities (Petras, 1983:46).

Thus, it is asserted that labour migrations can be explained in terms of the existence of a hierarchy of regions where certain regions and/or nations within regions, appear as
major importers of labour while others are major labour exporters (Petras, 1979). International uneven development can be expressed as a hierarchy of wage levels or "disparate thresholds for remuneration of labour which distinguishes core, semi-periphery and periphery" (Petras, 1983:46). Wallerstein (1979) identifies trade as a salient element in constituting wage levels at the core as a function of a crisis in the core's productivity:

The long term tendency to 'over supply' is inevitable ... 'Over supply' leads to a shift in the terms of trade (between the core and the periphery), a shift in the loci of profitable investment world-wide and the loci of employment opportunity. This in turn affects the wage structure in those parts of the world economy based on fully proletarianised labour (Wallerstein, 1979:84).

Having elaborated on the structuralist approach, it must be mentioned that Woods (1982: 308) pointed out that the historical-structural and equilibrium models have such diametrically opposite assumptions that, "it often precludes the possibility of meaningful dialogue between the proponents of each view." It is not the task of this thesis to 'adjudicate' between the two perspectives. However, research on international migration and the relationship between developed and developing countries seems to rule in favour of the historical structural model (Woods, 1982:304). It seems appropriate to discuss briefly the relative merits of each model against the other.

The Dependency School believes in the inherent unequal relationship between countries or regions sending migrants (called the 'periphery') and those receiving them (termed the 'core'). Amin (1981) describes national economies at the core as being integrated and constituting an internal market. On the other hand, national economies at the periphery exist as fragmented, almost autonomous industrial sectors, heavily relying on the international export market. The unequal relationship between core and peripheral economies is essentially expressed in two ways. First, the peripheral economy exports only
raw materials while imports from the core consist of finished goods. Thus, other parts of the economy are not developed and reliance on the economies at the core is reinforced. Secondly, as a result of this unequal exchange, labourers at the periphery are not remunerated at the same level as those in the core, further hindering development of an internal market by suppressing consumer demand.

With respect to migration, Amin (1974:86-88) questions the utility of equilibrium theory to explain Senegalese internal migration from the interior regions to the coastal areas. Senegalese rural migration from the interior to the coastal cities to work in the agricultural export industry cannot be explained in terms of a balanced distribution of factors of production (i.e. labour goes to where capital is abundant). This is so because the theory leaves unanswered the reason why other equally viable movements such as capital flight to the interior (where labour is abundant and capital scarce) did not occur. Amin, in fact, is attempting to answer why the most beneficial alternative to Senegal, that of the development of an integrated agricultural industry geared towards domestic production, did not materialize.

The heart of Amin's critique is that the distribution of factors of production is not static. Rather the unequal distribution of land, labour and capital is due to a particular concept or model of economic development for the country (Amin, 1972:88). This economic model has its roots outside of Senegal, through colonization, demonstrated by the influence of colonial policies in Western Africa which in turn determines the character of population movements (Amin, 1972:95). In Amin's analysis an economic strategy beneficial to Senegal
was not enacted due to influences external to it and this has a significant effect on migration within the country:

... Senegal cannot escape as a result of its export-based economy ... What is 'unfortunate' for it will be 'beneficial' for the world system and it is the latter that determines the choice. The choice of the ground-nut based alternative calls for a redistribution of population resulting in migrations ...

(emphasis added Amin,1974:87).

Here then, one can see the constraints on the individual with respect to a decision to migrate. In other words, given that the processes mentioned above apply to migration between countries as well as within a country, international migration cannot be seen as being beneficial to both host and sending countries.

As can be seen from the above quotation, Amin clearly locates the structural causes of Senegalese migration to an international system, characterized by an uneven development between countries (Amin,1974:103). It is this theoretical framework which will be adopted in an attempt to explain Canadian immigration. It is therefore necessary to elaborate on that model which will be called World System Theory. It was shown that historical-structural approaches emphasised the extra-individual factors in explaining international migration flows. It would remain, therefore, to specify the structural factors which determine international migration flows. The emphasis here is to describe the structural factors assuming the existence of an international economic system. However, before outlining the structural factors which contribute to international migration, it is necessary to elaborate on that conceptual framework which will be called the World System'.
3.0 The World System

Wallerstein (1979) conceptualized the world system as a single market economy with a certain degree of specialization; modes of payment for labour, goods and services, and the utility of technological invention. The essential feature of the world system is that it is a market economy in which a commodity is realized for maximum profit and production is constantly expanded as long as production is profitable. Within this world market economy exist state structures, of varying degrees, which seek to manipulate the world economy in favour of some or all of its constituents. The World System characterized by Wallerstein is therefore a capitalist one. 'Regional specialization' (ie. the division of labour), is an attempt by actors to avoid the 'normal operation' of the global market whenever it does not maximize profit. According to Wallerstein, a nation-state is a political (ie. non-market) attempt by actors to manipulate the global economy. Also, nations can be roughly grouped into three 'tiers', corresponding to a 'hierarchy' of exploitation. In this hierarchy, the 'upper tier' or core area of developed economies exploits the two lower. The 'middle' or semi-peripheral economies share in the exploitation of the 'lower' or peripheral economy while being similarly exploited by the 'upper tier'.

Core economies are characterized by high profits, high wages, high technology and diversified production. At the other end of the nation state spectrum are the peripheral economies who are defined by low profits, low wages, low skill, and producing a narrow range of goods. Wallerstein is somewhat unclear about what defines a semi-periphery. By virtue of its intermediate position in the global economy, a semi-peripheral economy stands "in between" in terms of the kind of product it exports and in terms of the wage levels and
profit margins it "knows" (Wallerstein, 1979:71). He does say that in a semi-peripheral economy the internal market is more important than the international market and that there is more state intervention in the home market, although he does not explain why this is the case.

The roots of the world system lie in the international division of labour (IDL) or the specialization of production (either of manufactures or raw materials used for production) by nation states. Thus, the World System is conceptualized as having different, historically specific 'forms'. The literature describes two forms: the 'classical' International Division of Labour (IDL) and the New International Division of Labour (NIDL). Historically, the 'classical' IDL originated during the intense period of colonization by European powers during the 1880s until WWI (Magdoff,1982:21). It was during this time that 'self-contained' economic regions became integrated into an IDL in which leading industrial nations made and sold manufactured goods which colonies supplied them with raw materials and food (Magdoff,1982:21). The NIDL began around the 1950s when certain under-developed economies began to experience growth. Thus a new concept was coined to describe this new phenomenon in the World System: the Newly Industrialized Countries (NICs).

3.1 Migration in the 'Classical' International Division of Labour

It is now important to specify the theoretically salient issues for explaining labour flows to the core. Set within the structuralist framework, the problem is to define the processes which lead to exchanges of capital and labour between areas in the global
economy. Two types of migrations can be identified in the 'classical' period: white-settler colonialism ie. the migration of people from the core either to become settlers of the land or those involved in international trade or colonial administration; and the export, by peripheral economies, of migrant labour.

Set within the world systems framework, the flow of labour from one global region to another can be explained in terms of the process of capital accumulation where the ability to import or relocate surplus labour frees up a process that might otherwise be blocked for lack of requisite labour supplies (Petras, 1983:50). White settler colonialism, as a migratory movement, was essentially a method used, by the colonizing economy, to gain direct control of its colonies so that the colonies could fulfil its two basic functions in the capital accumulation process at the core: that of supplier of raw materials to the core economy and that of market for its finished goods. Direct colonization usually involved the elimination of the indigenous population and the sequestration of the survivors in reservations so as to make room for the transplantation of the capitalist system and the migration of people and capital from the core (Magdoff, 1981:19). Aside from the white settlers there were other types of migrants who were directly involved in the world capitalist system such as: "the 'local' staff of the great imperial trading houses and the colonial civil servants." 

As a way of ensuring that the colonized economies fulfilled the functions mentioned above, the colonies had to be turned into 'customers', which involved not only the transplantation of the capitalist system, but also the erosion and incorporation of non-capitalist societies at the periphery (Magdoff, 1981:18). Part of this process was the
transformation of the population into wage labourers. In peripheral areas with large indigenous populations the existence of a large supply of surplus labour, and thus a potential pool of migrants is due to the commercialization of the agricultural sector and the destruction of subsistence farming which forced the rural population to migrate to the urban centres (Amin, 1974:91; Froebel, 1980:4).

In conclusion, the ability of peripheral economies to supply labour to the core was based on the freeing up of surplus labour through the disintegration of traditional social relations and its replacement by capitalist relations based on wage labour. However, the IDL is not a static thing. Over the decades, traditional core-periphery relations have changed. The next section will describe the changes in the IDL, the utility of migration in the present world system and the consequences for international migration of certain structural changes in the global economy.

4.0 The New International Division of Labour

Certain developments in the world economy indicate a change in the international division of labour. The first development is the relocation of production from the core to the developing economies resulting in the closing down of certain types of manufacturing operations in the industrial nations and the subsequent installation of these parts of the production process in the foreign subsidiaries of the same company (Froebel, 1980:9). As far as the second development, which is a consequence of the first, is concerned, peripheral economies have begun to export manufactured goods, albeit in limited areas, and usually in labour intensive industries such as textiles and clothing or electronics. A further
development, which is associated with the first two, was the previously mentioned industrialization of the periphery. Thus, the 'classical' division of labour, where the peripheral economies supply the core with raw materials while being a market for manufactured goods produced in the developing economies no longer holds true. This has been replaced by what has been termed as the New International Division of Labour (NIDL).

For Froebel (1987: 25) the underlying dynamic for the NIDL is the accumulation and valorization of capital, and not the extension of the wage-labour/capital relationship or the expansion of productivity. The relocation of production to the periphery is due to crises in the accumulation and valorization process. Froebel (1978) explains capital flight to the periphery in terms of a crisis in securing surplus profits felt by individual producers in the core economies.⁶

However, the possibility of relocating production to economies at the periphery is due to advances in the development and refinement of labour organization and the use of technology. Specifically, Froebel refers to those techniques which enable the decomposition of complex production processes into elementary units so that unskilled labour can perform otherwise complex operations (Froebel,1980:847). The salient conditions which enabled the relocation of production to the core are: the existence of a world-wide reserve army of labour; the sub-division of the production process; and efficient transport communication technology (Froebel,1980:45). Froebel therefore allows for the industrialization of peripheral economies albeit one which is highly dependent on core economies, due to the exported oriented nature of this industrialization.⁷
Similarly, Lipietz (1987) explains the transition from the 'classical' IDL to the NIDL as being due to innovations in the production process which facilitates the process of accumulation. At an abstract level, Lipietz speaks of a 'regime of accumulation' which refers to a system where a product is allocated in such a way as to ensure an 'adequation' between the two basic relations in the capitalist mode of production: commodity relations and wage relations. This is done through a 'symmetry' between transformations of conditions of production and conditions of consumption. In non-Marxist terms (and at the risk of over simplification) it is the point of equilibrium between supply and demand. In other words, a particular capitalist will show profit if he can valorize surplus value and he can only do this if he can sell his/her commodity. Wage earners must then be remunerated in a way which ensures not only that the workers can reproduce his/her labour power, but that a demand be created for commodities so that the producer's profit is realized. In this way, the wage relation and the market division of labour is reproduced (Lipietz, 1987: 30-33). Explained in different terms, a regime of accumulation can be seen as a 'schema of reproduction' process where a symmetry/equilibrium is achieved between two 'departments': Department 1 (production of means of production) and Department 2 (production of articles of consumption), plus 'sub-departments' in Department 2: production for wage earners or production for the economic elite (sometimes known as Department 3). To insure that 'all capitalists will sell their commodities and ... all wage earners will sell their labour power' so that their is equilibrium in the production process, there exists a 'mode of regulation'. This mode of regulation consists of institutions, habits and procedure which coerce or persuade individuals to adhere to the schema of reproduction.
These regimes of accumulation are historically and geographically specific and one regime of accumulation replaces another because of crisis in the previous regime. This crisis is seen by Lipietz as an asymmetry between the regime of accumulation and the mode of regulation. The transition period to the present regime of accumulation in the core economies occurred in the crisis of the 1930s in the United States. Put simply, consumer demand (in the old 'competitive' mode of regulation) could not keep up with innovations in the production process (new 'Taylorized' labour process). In other words, supply exceeded demand.

The present regime of accumulation was first instituted in the United States (and then adopted by other core economies) and consists of a form of labour process called 'Taylorization', which essentially systematized the knowledge of workers in an automated system, thus increasing productivity. Consumer 'demand' was socially constructed by instituting a 'Fordist' wage relation where wages were adjusted to 'fit' this new rise in productivity. In essence, this meant a rise in the wage of workers. Thus in the core, internal demand in a nation state and trade within core economies was the primary method of capital accumulation. Partly due to their colonial heritage, peripheral economies are less developed because of their inability to institute 'Fordism' completely (Lipietz, 1987: 60-62). The very fact that 'Fordism' in the periphery was of an incomplete nature has perpetuated, for most economies in the periphery, their under-development. This 'incomplete Fordism' involved the use of 'Fordist' technology and its 'model of consumption' (ie. mass production) without either its social labour process or mass consumption norms.
The relationship between core and periphery as conceptualized by Lipietz is unique. He dismisses some of the major assertions of the Dependency school. Specifically, he rejects the notion that one function of the periphery is to supply raw materials for production at the core. More importantly, the core is deemed not responsible for the under-development of the periphery, through a transfer of value in the process of unequal exchange. Rather, Lipietz asserts that the primary function of the periphery is that it is the location where some value produced at the core is realized. In other words, when surplus-value cannot be realized at the core due to, for example, over production and under consumption, surplus is exported to the periphery. Lipietz therefore sees the periphery as primarily a market for goods produced at the core.

Defined in the terms set out by Lipietz the NIDL involves an intra-industrial division resulting from a 'Fordist' tripartite division between 1) engineering and advanced technology; 2) labour-intensive activities requiring a certain level of skills; 3) activities requiring easily acquired skills (Lipietz,1987:94). Moreover, this division of production also implies a certain flow of trade where:

... The North exports level-1 and level-2 products to the NICs; the NICs export level-3 to the North and level-2 products to other countries in the South (Lipietz,1987:105).

In conclusion, Lipietz and Froebel are not without their differences, due to the to the historical periods in which they write, and thus both emphasise different things. The crisis in accumulation plays a more important part in the creation of the NIDL in the work of Lipietz than in Froebel. While Froebel specifies only the technical aspects of the production process which led to the creation of the NIDL, Lipietz specifically attributes the
fall of productivity in the core economies to a crisis of accumulation (in the form of a profit squeeze) which in turn has led to attempts at counteracting the fall by relocating some production processes to the periphery (Lipietz, 1987:70). Lipietz, more than Froebel, emphasises that the possibility of relocating capital to a specific peripheral economy is due to the unique political-economic 'configuration' of that nation state in terms of a poorly organized working class, a regime willing to use foreign capital to reinforce their class position. Lipietz therefore accords peripheral nation states more relative autonomy in the NIDL (Lipietz, 1987:72).

The preceding paragraphs have briefly described the basic differences between the current IDL and the previous 'classical' version. Also detailed were the explanations for the development of the NIDL. A major structural feature of the NIDL, in contradistinction to the 'classical' IDL, is industrialization at the periphery. The following sections will discuss the consequences of peripheral industrialization on international migration trends. However, before discussing the effects of structural changes in the economy on international migration it would be logical to first establish the function of international migration in the NIDL, given that a prominent feature of the NIDL is the export of capital from the core to the periphery.

4.1 Migration in the NIDL

In many ways it is 'cheap' to export labour from the periphery to the core: immigrant workers may, for a number of reasons, not enjoy the same rights as indigenous workers and are more liable to be exploited. Therefore by importing labour to the location
of capital, producers cannot only cut circulation costs but also reduce political and social costs. The state plays a significant role in the inferior political status of the migrant worker. Burawoy (1976) cites the institution by the state of pass laws, restrictions on urban residence and on occupational mobility for the continuing oppression of black migrants from Bantustans in South Africa. Creese (1984: 53) refers to restrictions on the franchise, immigration (in the form of a head tax), and inferior entry status (in the form of being considered non-settler) imposed on the Chinese by the Canadian state for their exploitation before WWI. Castells (1975) notes that European migrant workers can be exploited at a greater level than their indigenous counterparts because of their limited capacity to organize.

Immigrant workers are relatively cheaper than indigenous workers, the costs of maintaining the immigrant labour force being borne outside of the core economies. Burawoy (1976) notes that the reproduction of labour power in a given system is composed of two elements: that of renewal and maintenance. A labour force must be maintained, i.e. workers must receive a historically determined minimal day-to-day subsistence. A labour force must also be renewed, i.e. vacancies must be filled. Migrant labour is considered cheaper because the cost of maintenance is confined to a peripheral area. Burawoy refers to black Africans in South Africa migrating from their homes in Bantustans to their workplace in the nearby cities. International migrants are similarly cheap since the costs of reproduction of an immigrant worker is borne by the sending country until the time of migration. In other words, the human capital costs for the training of a worker is borne by the sending state. There are further advantages to relocating labour to the core, rather than moving capital to the periphery. Petras (1979) cites two: first, transportation costs of
moving the product in the periphery to markets at the core may be prohibitive; second, political struggles inevitably emerge as populations begin to resist the exploitation of their labour and raw materials.

Furthermore, Froebel (1980) has noted that the development of new production techniques has produced an International Reserve Army of Labour (IRAL) which presses not only on the workers in the periphery, but on those at the core as well. This is so because for the first time, given the level of technology and industrialization at the periphery, commodities produced in low wage zones can be profitably exported to the core. Low wage workers from the periphery are now in competition with high wage workers in the core, resulting in a downward pressure on wages in the core. Similarly, the use of immigrant labour at the core can be seen as a pressure on the wages because immigrant workers, being accustomed to a high level of exploitation, usually undercut indigenous labour.⁹

Lastly, migrants workers play an important role during particularly onerous periods in the business cycle. Cohen (1987:137) asserts that because migrants under-consume, they do not contribute to inflation during expansionary phases and cushion the decline in demand during downturns. This opinion, however, should be subject to qualification. It is important to note that Cohen was specifically referring to the function of foreign workers in Europe, where consumer markets have reached their optimum level, thus there is no need for more consumers. It becomes more important that, during recessionary periods, migrant labour can be readily expelled --- the social costs of maintaining them during a downturn being relatively high. The function of immigrants in other economies could be
different. For example, given that the Canadian domestic market is relatively small, the need is for permanent immigrants, rather than temporary workers, although this is slowly changing.10

This section has firmly established the utility of importing labour from the periphery. However, given industrialization at the core, the expectation would be that the surplus labour pool at the periphery would be used to fill the labour force requirements of the industrializing periphery. Moreover, the expectation would be that greater industrial development at the periphery would lead to an increase in the material condition of workers, thus removing further incentives to migrate. The following sections will show that the consequences of peripheral industrialization were not as expected. It will be shown that peripheral industrialization did not reduce the mass of surplus labour in the periphery which forms the potential pool of migrants from the periphery.

4.2 Peripheral Industrialization

As was mentioned earlier, recent events have indicated that it is possible for peripheral industrialization to occur. A 'non-industrialization in the periphery' hypothesis, as presented by the Dependency School, would contradict rather recent spectacular growth in some peripheral economies:

Between 1970 and 1980, average yearly growth in manufacturing output in the NICs ranged from 4.6% in Portugal and 6.8% in Mexico to 18.3% in South Korea. In South Korea, per capita GDP rose from $70 to $2,281 between 1960 and 1980. Life expectancy in Hong Kong (75 years) is now higher than in West Germany (Lipietz, 1987:131).
However, Lipietz (1987: 131), a critic of Amin and the Dependency School, concedes that, "happiness cannot be measured in terms of GDP." For example, Warren makes clear that, in presenting his evidence against the Dependency School, he is not concerned with, "... the ability or inability of capitalist development to satisfy the basic needs of the masses, and the backwardness of agriculture" (Bernstein, 1980:224). It can be said that industrialization has not reduced the pool of surplus labour in the periphery. In some cases, migration from the periphery, has actually increased unemployment, thus increasing the pool of surplus labour. It will also be shown that the recent industrialization of developing countries through the import of capital from developed countries has not changed the unequal relationship between countries in the core and the periphery. Therefore, it would be difficult to attribute an individual's decision to migrate to any rational cost-benefit analysis. Faced with crushing unemployment, abject poverty and chronic underemployment, an individual in an under-developed region seems to have no choice but to migrate.

From the middle sixties, a major shift in development policy took place when developing economies moved from industries that produced goods for internal consumption to industries producing components for export. This export industrialization however was led by foreign capital. To this end, peripheral states began to develop 'free trade zones' in order to encourage international capital to relocate production processes there. Foreign capital was enticed to relocate production in these 'free trade zones' through special treatment accorded to them by the state. These enticements included a variety of tax and financial incentives available for companies wishing to relocate in these zones. These were: tax and duty free on machinery, raw materials and supplies; exemption from municipal,
provincial and export taxes; priority in allocation of foreign exchange for import of raw materials, machinery and other supplies; full foreign ownership; government financing of infrastructure (Taplin, 1986:181). Export oriented industrialization is not without its problems.

In economic terms, the relatively industrialised export sector possesses no 'backward linkages' to the rest of the peripheral economy. The result is a fragmented or 'disarticulated' economic structure dependent on world demand for a narrow range of exported commodities. According to Alavi (1982), regions producing an export product that is comparatively important for the development of capitalism at the centre experience 'brilliant' periods of rapid growth. But because no autonomous, integrated national economy is formed around this production, as soon as the product is no longer essential, the region falls into decline (Alavi, 1982:207). In relation to the export-oriented economic sector, due to this disarticulation, other sectors (such as the agricultural sector) may only function as suppliers of cheap labour to the export sector. In fact, the generalised lack of profitability of other sectors is attributed precisely to an export-oriented sector by contributing, "cheap or free labour power without receiving any investment to raise labour productivity" (Cardoso, 1982:120). The biggest draw for multi-national corporations, therefore, was the availability of a large, cheap labour force whose average wage rate is 10% - 20% of workers' wages at the core (Froebel, 1980:35). Ostensibly, relocation of production to peripheral economies was supposed to

... alleviate the problems of unemployment and decreasing returns to labour which import substitution industrialization failed to resolve (Nash, 1983:4).
In other words, export oriented industrialization was expected to relieve the mass of surplus labour in the periphery. Export oriented industrialization did not deliver what was expected.\textsuperscript{13}

The concrete experience of the older NICs, i.e. those who were the first to implement export-oriented industrialization should make the point that export-led industrialization does not lead to the reduction of surplus labour at the periphery. For example, the initial success of the 'Brazilian Miracle' which quickly reversed as new signs of imbalances began to manifest themselves such as an increasingly polarised distribution of incomes and greater unemployment of the workforce eventually affecting 11 million workers (Vuskovic,1980:86). According to the Academia de Humanismo Cristiano Programa de Economía del Trabajo, the effects of 'The Chilean Miracle' on employment have been equally dismal, employment growth becoming stagnant, creating very high unemployment and underemployment (Vuskovic,1980:86). The penetration of capital in Puerto Rico has, according to Bonilla (1985:154), created the conditions for the increasing migration of Puerto Ricans to the United States mainland:

... the larger the magnitude of capital flows and accumulated external investment ... the larger and more socially varied the contingents of those repeatedly facing the need to uproot their lives ...

Thus we see that the penetration of foreign capital in the periphery does not reduce the pool of surplus labour, as can be demonstrated by the effect of peripheral industrialization on unemployment for Chile and Brazil.

Underemployment of the labour force is also symptomatic of industrialization at the periphery, a fact which may act as an incentive for individuals to migrate. In the
Philippines and Indonesia, many electronics workers in the free trade zones are the daughters of low level bureaucrats and teachers who are unable to obtain white-collar jobs. In Indonesia especially, poverty and extreme lack of employment and educational opportunities compel women to work in the electronics industry (Taplin, 1986:179). An export oriented strategy also serves to reinforce the use of certain peripheral economies as low wage zones. Lipietz (1987) summarizes the research done on the effects on export oriented industrialization by writing that peripheral nation states resort to centralized policies used to curtail or cut drastically the living standards of urban workers. The state usually interferes in labour management through: regulation (the absence of social legislation and the creation of free trade zones); repression (the dismantling of autonomous unions, police controls, company unions). Profits are realized through export, therefore while productivity (and therefore surplus extraction) can be enhanced without the need to stimulate internal demand through an increase in wages and risk inflation.

In conclusion, we see that peripheral industrialization does nothing to relieve unemployment in the periphery. In certain cases, the unemployed in the periphery also constitute a relatively well educated surplus labour pool suitable for employment in the core. The economic structure in the periphery however, precludes the educated from finding suitable employment. For example, the labour force of a semiconductor plant in the Philippines consisted of women two thirds of whom either had some college education or had a college degree (Grossman in Taplin, 1986:179). Therefore, industrialization at the periphery did not remove conditions which may motivate individuals to migrate. Specifically, with respect to the present model of industrialization, an export-oriented model exacerbates rather than relieves the problems of unemployment. Thus a potential pool of
workers that core economies may draw their labour from is left untouched. We can see the structural conditions which maintained a relatively large surplus labour pool. A combination of the issues discussed earlier are the reasons for the existence of a surplus labour pool in the periphery, despite attempts at industrialization: the fragmentation of the peripheral economy; the use of technology inappropriate to the periphery; the reliance on foreign capital; and the production practices of the TNCs. The preceding sections have outlined the utility of describing the structural factors at the level of the world system which contribute to international migration. In order to proceed with our explanation of Canadian immigration the next task is to describe the way in which the structural factors that affect international migration in the NIDL will be studied.

5.3 Developing a Method of Inquiry

Certain criticisms of world systems theorists are relevant in the development of a method for analyzing international migration. These criticisms relate to the form and origin of the world system. World system theorists (such as Frank and Wallerstein) emphasise the unity of the world system. Processes at the level of the global economy determine events among its constituent elements (i.e. the nation states). For example, in order to explain the internal class contradictions and political struggles of a particular state, one must situate it within the world economy (Wallerstein, 1987:53). Policies of the nation states are aimed at ensuring the smooth operation of the world system (Froebel, 1980:50). The focus of the analysis are the processes occurring at the level of the global economy, because, "capitalism was from the beginning an affair of the world economy and not of nation states" (Wallerstein, 1979:19).
The position taken by Frank and Wallerstein concerning the origins of the world system has been criticised for emphasising exchange relations (ie. international trade) as the primary factor in the development of the world system. The transfer of value from the peripheral economies to the core through international trade is not seen as a sufficient condition for the development of a world economy (Alavi,1982:174). Rather, it is the evolution of the production process (ie. the development of the wage relation) that is responsible for a world economy, through an International Divisions of Labour\(^{14}\) (Brenner,1982:57). This has led theorists (Brenner,1982; Alavi,1982; Ojeda,1982), especially those dealing with peripheral economies, to emphasise class relations and alliances as explanations for an integrated global economy.\(^{15}\) With specific reference to colonised societies, the link which integrates peripheral economies to the world system is the direct influence of core capital in the class structure within the developing country (Alavi,1982:180).

The issues mentioned above form the foundation from which one can critically evaluate the method implied in the approach of world system theorists. The explanatory primacy of processes occurring at the level of the global economy has led to what may be termed a 'monolithic' view of the global economy. As was mentioned above, an emphasis on abstract processes has led some theorists to ignore concrete changes in the global economy, such as peripheral industrialization. The emergence of a single smooth-running integrated global economic structure must assume an influence apart from the structure itself that is able to combine the elements into a coherent whole. This assumption, of course, is untenable since the task of integration would require supernatural prescience:
The very notion of an International Division of Labour ... suggests that there is some Great Engineer or Supreme Entrepreneur who organises labour in terms of a pre-conceived world plan (Lipietz, 1987:5).

The possibility of a Great Entrepreneur is made even more probable when one takes into account that class relations and class conflict, that is, the concrete actions of people are held to be less important to the development of the world economy than international trade.

In short, the 'function' of migrant labour in the world system can only be perceived through careful examination of specific instances and qualified geographically and historically. In other words when studying a specific migratory movement, one must not over-generalise. One must be aware that the present state of the global economy is in flux:

Sensitivity to the historically diverse mechanisms and forms of capitalist development, ... should help avoid the all too familiar inability to see transitional processes occurring because they fail to conform to a predetermined and abstracted 'model' of what capitalist development should look like (emphasis added Lipietz, 1987:131).

This implies a careful, historical examination of the specific determinants of international migration. In order to analyze migration in the world system, one must develop a framework which takes into account the contingent nature of the world system.

What then is left of the macro structural concept known as the 'world system'? As Lipietz (1987:24) points out, grand theoretical constructs (such as 'capitalism'):

(are) simply concept(s) which help us grasp and intellectually synthesize the outcome of concrete processes.

In order to avoid a monolithic conceptualization of the world system, one must emphasize these concrete processes. For example, according to Lipietz (1987: 20) executives at multi-
national corporations may have consciously organized themselves into a geographic division of labour internal to the company, but this was only made possible because a part of the ruling class in certain countries 'gambled' on an export-oriented growth strategy. Furthermore, a concentration of processes occurring at the level of the global economy would inevitably lead to excessive abstraction.

Lipietz (1986: 24) therefore states that the shape of a world system can be described in general but, historically specific forms can only be defined through concrete analysis:

> Even if the positions (of nation states in the IDL) are not foreordained, the field of available positions ... exists nevertheless ... This does not mean ... that centre of the 'world economy' ... moves from one country to another. It is the very texture of the field that varies: the 'core' was formerly a city (Venice, Amsterdam), and then a country (England, USA), but why would there not be several centres, why would the system not be organized on a network basis rather than around a centre? (emphasis added).

The world system then is not a monolithic whole, neither is it fully under the control of any corporate group or class fraction or impervious to inherent contradictions continuously generated. For Lever-Tracy conflict and change in the complex World System is due to the way classes combine, for their own interests, the many 'elements' (ie. social formations) in the World System which have their own logic and dynamic (Lever-Tracy,1983). Cohen (1987) criticizes NIDL theorists, (specifically Froebel) for an ahistorical account of the present IDL by failing to take into account the effects of imperialism and colonialism on the present NIDL. Secondly, he criticizes NIDL theorists for attempting to explain the International Division of Labour in term of the migration of capital and not labour. Thus certain important phenomena, such as the import of labour from peripheral economies to the NICs, are not explained.
Cohen therefore conceptualizes 'phases' in the IDL (implying an overlap in historical periods of the IDL), and asserts that each phase of the international division of labour corresponds to a specific form of labour, usually a mix of 'free' (ie wage workers) and 'unfree' (slaves, chattels, etc..) labour. In the 'mercantile' phase, the form of labour in a 'regional political economy' was characterized by a mix of metropolitan free and plantation unfree labour (ie. slaves). In the 'industrial' phase, the form of labour was determined by the position of a particular nation state. In a 'mature' economy such as in Victorian England, the labour forces were drawn from agricultural areas surrounding the factories. In countries with a small agricultural population or where the indigenous population was virtually wiped out, such as in the United States, lack of labour was the inhibiting factor and so peasants were imported from 'decaying' feudal areas. The 'imperial' division of labour was characterized by a 'racial' division of labour, where 'inferior' races in the periphery were 'permitted' to export raw materials to the 'superior' race in the core. The form of labour was further characterized by the use of forced labour in the colonies, migrant labour in the extraction industries, and the transformation of peasant proprietors into cash crop producers tied to the core (Cohen, 1987:234-241). In the current 'transnational or NIDL', there still exists a mix of free and unfree workers --- unfree workers being defined as those wage workers who are tightly constrained by political and legal restrictions, such as foreign workers in Europe, South African mineworkers and migrant agricultural workers in the United States.

In a similar manner, Sassen-Koob (1980) relates different historical stages in the capitalist world economy to different forms of migrant labour. In the first 'instance' in the history of the world economy, migrant labour is associated with the expansion of the
capitalist mode of production into the periphery. The need was to transform large numbers of workers into wage labourers, peons, or slaves to work in resource extraction for export to the core. The second stage is marked by intense capital expansion in the periphery and, unlike the first stage, capital accumulation. This applies to the United States in the 1800s and early 1900s and made necessary the importation of a large number of labourers. Interestingly enough, she jumps several decades to include the oil-exporting countries in the periphery as another example of the relationship between labour imports and capital accumulation. In the third instance, labour imports are associated with intense capital accumulation in the centre. The uses the example of the large movement of Irish workers to the United Kingdom during the Reconstruction period in Europe just after WWI. In the fourth instance labour migrations are associated with the reproduction of capital's dominance over labour at the centre, an example of this is the development of restrictive immigration policy in Europe and the United States.

Despite a laudable attempt by Sassen-Koob to specify the historical determinants of labour migration, she ascribes explanatory prominence to the world system. By doing this, her attempts at periodization of the stages of the World System fails. For example, she has to explain the relationship between capital accumulation and labour migration by referring to migratory streams decades apart: migration to the United States in the 1900s and present day migration to the OPEC countries. The fourth historical instance emphasizes the use of foreign labour in capital's fight with labour. Specifically, she must be referring to (but does not explicitly mention) the use of guest workers in Europe and farm workers in the United States. Other contemporary migration streams to other nation states do not fit the predominant form of migrant labour in Europe. For example,
temporary labour is not extensively used in nominally core economies such as Canada. The diversity of the World System, even at a particular period of history is not taken into account.

Therefore, it would be preferable that an intermediate level of analysis be chosen: that of the nation state. For example, Dickey (1985) attributes the internationalization of Canadian capital (in the torm of Canadian multi-national investment abroad) to competition between different fractions of the Canadian capitalist class. Lipietz (1987) ascribes primary importance to events occurring at the level of the nation state in determining the form of the IDL:

Quite apart from the freedom of history, the class struggle and competition between capitals, we also have to take into account the way in which the existence of nations and of states ... compartmentalize the reproduction of social relations (Lipietz, 1987:19).

Thus, in terms of a method of inquiry, it is possible to avoid a monolithic view of the world system if, first, one specifies the level of analysis as the nation state. Secondly, if one is to assume that the form of the present world system is due to the concrete actions of classes, one must trace the influence of the concrete actions of classes on the form of the world system. Taking these points together, the concrete task is to specify the historical links which bind nation states together and how the action of classes at the national level serve to forge these links. With respect to an analysis of Canadian immigration, one must situate Canada within a network of specific nation states and examine the specific historical links that Canada has with each. Canada's position within this 'matrix' will then be used to explain changing source countries of immigration.
The following chapters will show the utility of the framework mentioned above. This will be done by relating certain changes in the character of Canadian immigration to Canada's changing position in the global economy. As was mentioned in the introduction, these changing characteristics of immigration have to do with source countries for Canadian immigration, intercontinental migration, the occupational distribution of immigrants and immigration levels. More specifically, changes in the source countries of Canadian immigrants from states in Europe to those in the Pacific Rim will be explained by referring to shifts in the position of states in the global economy vis à vis Canada. Changes in intercontinental migration trends, shifts in the occupational distribution of immigrants and immigration levels will be explained in terms of the subordinate position of Canada in a regional economic network involving the United States.
CHAPTER: 2
Canadian Immigration in a Global Context: Networks, Wage Zones and Source Countries for Canadian Immigration

1.0 Introduction

The purpose of this chapter is to provide an explanation of the changing source countries for Canadian immigration. In order to properly explain the source countries for Canadian immigration one must take into account the global economic system. In the previous chapter it was mentioned that the proper way to conceptualize the world system is to view it not as a monolith, but as an ever changing field. With specific reference to migration trends, Petras (1983: 46-55) conceptualizes the world system as a network of nation states or 'regional aggregates' which are involved in an exchange of commodities, capital and labour. The process behind international migration is the existence of 'wage zones', or a hierarchy of wages divided by regions. Labour tends to migrate from low to high wage zones in order to take advantage of the better material conditions there. Labour migration from low to high wage zones is determined by several factors: a) specific economic and political influences of the core economies over the weaker economies in the 'regional aggregate'; b) variations in the 'real and social wage remuneration' to labour; c) the existence of an 'international pool' of reserve labour; and d) cyclical rhythms and trends of the 'world economy'.
It will be argued that these factors are indeed important in explaining the changing source countries for Canadian immigration. Classifying states as either high wage zones or low wage zones would enable one to identify which states are net exporters of labour and which are net importers of labour, and thus help explain the source countries for Canadian immigration. However, the factors mentioned above need to be elaborated if they are to be used in identifying specific source countries for Canadian immigration. In other words, these factors need to be operationalized. With respect to economic and political influences: a) the level of independent economic development (the presence of foreign investment) is taken as an indicator of the influence of core economies over the weaker peripheral economies; b) the implementation of welfare state policies is given as an indicator of variations in the 'real and social wage remuneration' of labour; c) the number of persons employed in the agricultural sector, and the number unemployed or under-employed in the general population is taken as an indicator of 'an international pool of reserve labour'; d) the long term performance of core economies in terms of, for instance, GNP growth, manufacturing output, is used as an indicator of the fluctuations in the global economy. To these factors I would also add e) level of general economic development of a nation state which would determine its position in the global economic network and thus its role as either a net importer or net exporter of labour. The growth of production in general (as measured by GNP) and in the manufacturing sector specifically, is considered a measure of the economic development of a nation state. The factors mentioned above can be separated into those which directly determine a country as a high wage or low wage state and those influences which are more indirect.
**Proximate Influences**

A nation state with: a *large surplus of labour*, a labour force with a relatively low social wage due to the lack of welfare state policies, an economy extensively influenced by core economies, and an underdeveloped economy is considered a net exporter of labour and therefore a potential source country for Canadian immigrants. Thus it follows, a nation state with: a small surplus of labour; a high 'social' wage due to the implementation of welfare state policies; a relatively autonomous economy (which would actually be exporting capital to other states); and a high level of economic development is considered a net importer of labour and would not be considered a potential source country for Canadian immigrants.

**Distant Influences**

In addition to the 'proximate' factors which *per se* determine whether a state is a high wage or low wage zone, there are additional intervening elements which specifically influence from which labour exporting countries Canada derives its immigrants. The first one was mentioned above: *cyclical trends in the global economy* must be considered as a 'background' for a discussion of Canadian sources of immigration. For example, because of booming economic times, countries which would normally be considered source countries for Canadian immigration may have use for their own surplus population. Given that the higher demand for labour would increase the wages in these countries, the structural factors (mentioned above) that make certain nation states net exporters of labour would disappear.
and these nation states would instead become net importers of labour. Conversely, peripheral nation states who manage to maintain an acceptable standard for their economy may falter during periods of economic downturn, and join the ranks of those states which export labour. Secondly, the level of integration of low wage states in the regional economic network in which they are involved influences the possibility of a state becoming a major source country for Canadian immigrants. A group of peripheral net labour exporting countries could become so economically and politically integrated with a group of core economies such that labour exchanges occur almost exclusively within this network. Therefore, if for whatever historical reason Canada should be excluded from a network of peripheral labour exporting countries in which it was traditionally involved, it is expected that source countries for Canadian immigration would change to other labour exporting countries. The following sections will show that, using the factors mentioned above, nation states can be classified as either net exporters or importers of labour. In addition, it can be shown that the ‘importers of labour’ are major source countries for migrants to the core, including Canadian immigrants. Moreover, it will be shown that changing source countries for Canadian immigration can be explained by referring to cycles in the global economy and the level of integration of specific labour exporting countries in regional economic networks.

2.0 Economic Development at the Core: The Golden Age (1950-73)

As was mentioned earlier, in order to understand the source countries for Canadian immigration trends, one must place Canada in the proper context. One of these ‘contextual’ elements is the business cycle. Thus, in order to understand Canadian
immigration in the postwar period until 1973, one must take into account that international migration took place during the greatest period of global economic development. Maddison (1982) and Lipietz (1987) have termed the years between WWII reconstruction and the Oil Crisis as the pinnacle of modern capitalist development. While there were instances of slow growth within this period, compared to the decades before and since, economic development in the Western economies was at an unprecedented level. In general terms, Lipietz (1982: 36-39) attributes the rise of the Golden Age to the already mentioned regime of accumulation. Following Keynesian economic assumptions, Maddison (1982: 96-125) attributes the remarkable economic development of the time to the backlog of opportunity to supply the post-war demand.

Given the period of unprecedented capitalist development in the core states the economic conditions were present which made Western Europe a net importer of labour. Due to the global economic boom, Western Europe experienced a net immigration of 9.4 million people, compared to an outflow of 4 million from 1914 to 1949 (Maddison, 1982:128). There were other factors which also contributed to the position of Western Europe as a high wage zone, i.e. proximate factors which identify a nation state as a low or high wage country: the material conditions of workers at the core and the relative availability of workers.
3.0 Western Europe as a High Wage Zone

*Material Conditions of Workers*

The postwar period marked a general reassessment of the role of the state in society at the core. In core economies there was a move towards increasing the material conditions of the workers through Welfare state policies such as unemployment insurance, welfare benefits and government commitments to full employment. A fundamental innovation in post-war economic policy, prompted by the lessons learned in the Great Depression of the 1930's, was the commitment to full use of resources, as set out in the Keynesian tradition (Maddison, 1982: 128-129). Maintaining full employment is an essential aspect of Keynesian fiscal policy, because it ensures the high and stable level of demand which is the necessary incentive for sustained investment by private firms (Wolfe, 1977: 254). In the United States, the idea was embodied in the Full Employment Act of 1946. In the United Kingdom and Scandinavia, the principle of economic management through government fiscal policy and the commitment to full employment gained wide acceptance. France, Italy and Japan all adopted expansionary economic policies (although not explicitly Keynesian) emphasizing government intervention.20

*Presence of Surplus Labour*

During the early part of the Golden Age, economies in Western Europe possessed a large pool of surplus labour from which to draw workers. Maddison (1982: 135) and
Castles & Kosack (1985) cite the easy expanding labour supply, the use of immigrants and
domestic surplus agricultural workers as a major factor in Western European postwar
productivity jobs in agriculture to other parts of the economy. Thus, under-employed
labour was 'pulled' from the agricultural to the service and industrial sectors in the
economy. Those with a large pool of agricultural workers domestically could draw from
this potential pool of labour. For example, France and Italy drew labour from their
agricultural sectors to fuel domestic economic development due to their relatively large
agricultural population (see Figure 1).

Those without a large agricultural sector were able to take advantage of immigrant
labour. The contemporary demographic situation in Western Europe made necessary the
use of immigrants, as falling birth rates, increased life expectancy and a high mortality rate
due to WWII combined to increase the number of inactive persons that Western European
workers had to support (Castles and Kosack, 1985:26). The European countries which
benefited most from migrant labour were Switzerland and West Germany. In Switzerland,
unemployment was zero and in West Germany it was less than 1 per cent, yet wage
pressures were modest.

*Canadian Immigration from Western Europe*

It is evident that one can justifiably consider Western Europe as a high wage zone.
Given this fact, what can be said about this region as a source for Canadian immigrants?
First, one must consider the impact of the global economic boom. With respect to immigration, the Canadian experience, because of the country's relatively small population, was the same as that of most Western European economies in the Golden Age: it was a net importer of labour (see Figure 2). Also, as was mentioned above, the global economic boom meant that the Western European countries which had labour reserves were depleting them. Thus Canada looked to southern Europe for its immigrants. As Figure 3 shows, the proportion of immigrants coming from southern European countries exceeded that from Western Europe. The position of Canada within the Commonwealth can be seen in the fact that the majority of European immigrants came from Great Britain.

The replacement of Western European immigrants with immigrants from southern Europe begs the question: why the change from northern European immigrants to those from southern Europe? The answer lies in the fact that southern Europe possessed the characteristics mentioned above which made this region a net exporter of labour. These characteristics will be dealt with in the next section.

4.0 Southern Europe as a Low Wage Zone

In the previous sections it was shown that Western Europe can be classified as a high wage zone due to its level of economic development, the material conditions of its workers and the relative lack of a surplus labour pool. Conditions in southern Europe were exactly the opposite: economic development was relatively low compared to the core, the
material conditions of the workers were worse than those of workers at the core and where there was a relatively large surplus labour pool.

Level of Economic Development

Lipietz (1987) describes southern Europe as the 'first periphery'. For example, the per capita GNPs of the southern European states were below that of Western European states. The per capita GNP for southern Europe for 1967 were: Turkey, $353 U.S.; Spain $822 U.S.; Italy $1,279 U.S.. In comparison, those of the Western European states ranged from $1,977 U.S. for the United Kingdom to $2,234 U.S. for France (Castles and Kosack, 1985:28). The figures for 1967 represent a trend of lower increase in per capita GNP for the southern European States as compared to the Western European states for the 1950's and 60's.

The Material Conditions of Workers

The gains made by Western European workers through the adoption of Keynesian economic policies eluded most southern European workers because of the corporatist or military states in southern Europe. This was due to the existence of dictatorships in Spain, Portugal and Greece (Italy is a special case and will be described later) that were largely labour repressive. Labour and capital in different industries were obliged by the state in Portugal and Spain to organize into syndicates and were tightly controlled (see Baklanoff, 1978:14, 104). By bringing workers and management into the same organization,
labour peace was supposed to be assured. In practice, syndicates served as instruments for controlling labour and for giving management an edge in bargaining. From 1940 to 1958 the Labour Ministry in Spain determined wages and working conditions and the syndicates were mainly responsible for carrying out the official decisions. In both Spain and Portugal lockouts and strikes were forbidden. Greece was more a military dictatorship rather than a corporatist state, but the same proscriptions against labour also applied. This took the form of the *parasyntagma*, the 'extraordinary legislation', allowing wide spread discrimination against left wing forces (Ioakimidis, 1984:44).

The case of Italy, however, is different from that of Spain and Portugal: rather than being excluded from the state, the working class in Italy was 'imperfectly integrated into the political system' (Slater, 1984: 64-67). One reason for this imperfect integration was the existence of two major political subcultures, Catholics and Socialists. The bourgeoisie and related groups were united early in this century through the signing of the Lateran Pacts. The Socialists, however, were weakened by the legacy of an anti-communist, fascist tradition in Italy. We see therefore that southern European workers were repressed relative to their Western European counterparts.

*Immigration and Surplus Labour*

Given the premise set out by Petras, the expectation is that the southern European countries are net importers of labour in times of economic prosperity in the developed economies. As was expected, during the height of capitalist development in the core,
Western European economies began to import labour from peripheral economies with a large surplus of agricultural workers, such as in southern Europe (see Figure 1). Thus, the early to mid-sixties, represented peak years for emigration from the southern European states (see Figure 4). As a result of such large scale emigration, southern European nations experienced significant population losses from the fifties through the seventies (see Figure 5). Around 1950, immigrants from southern Europe were already present in significant numbers in Belgium, France and Switzerland and between 1950 and 1970 the proportion of southern Europeans rose in all Western countries except France (UNCE, 1979:89). Most northern European economies and (to some extent) Canada depended on Italy for their immigrants. The number of Canadian immigrants from the southern European countries (including Italy) never exceeded that from Canada's imperial benefactor, Great Britain (see Figure 3). In Western Europe, 70 per cent of immigrants to France came from Italy while Italians constituted 38 per cent going to Belgium, and nearly all foreign workers in Switzerland were Italian (UNCE, 1979: 81, 89). The Federal Democratic Republic possessed a large number of Italians in its alien population. Immigrants from southern Europe made up most of the alien population in West Germany and Switzerland (see Figure 6).

To conclude ...is section, we see that the southern European states do indeed fit the description of low wage zones in terms of the workers' conditions, also because of the existence of a large agricultural labour force, and their relatively under-developed economies. In addition, the expected migration of workers from the labour exporting countries to the labour importing states at the core did take place. However, as Lipietz
points out, the world system is an ever changing field, thus implying that there occur historical transformations of the global economy. With respect to migration trends in this changing field, and as a further elaboration of her framework, Petras (1983: 54) states that there exist occasional shifts of ranking and status among nation states within the global economy, the diverse nationalities which have participated in migration 'vary accordingly'. The next section will attempt to identify the specific processes which have served to shift the status and the ranking of the southern European states, and to describe the effect of this change of status on labour migration from southern Europe.

4.1 The Development of the 'First Periphery' and 'Fortress Europa'

It will be recalled that 'intervening' factors affect the determination of a nation state as either a labour exporting or importing country. It was shown how processes at the level of the global economy, ie. the international economic boom, affected the core economies and contributed to the change in source countries for Canadian immigration during the 1950's and 60's. It will be recalled that a second 'intervening' factor, the level of integration of labour importing states in economic networks with specific core economies, affects the source countries for Canadian immigration. This section will demonstrate how the economic development of the southern peripheral states and their further integration into the European Trading Bloc (Eurobloc) has depleted the labour reserves in southern Europe due to the fact that the surplus is used domestically or in the core economies of the Eurobloc. Consequently, these traditionally labour-exporting states cease to be source countries for Canadian immigrants.
At the beginning of the 1960's, Italian emigration represented more than half of all the migration in the European Common Market countries (see Ascoli, 1985:186). According to Ascoli, Italian emigration peaked at 329,597 in 1961 and net emigration was at 147,101. By the end of the 1960's, there were fewer than 150,000 annual departures to European countries, going down to 139,140 in 1969. Part of the reason for the changing role of Italy as a labour sending country is the development of the Italian economy. For example, in 1980 Italian GDP amounted $394 billion U.S., ten times the amount of its closest Southern competitor Greece ($40.4 billion U.S.). The development of the Italian economy is due, to some extent, to its further integration into the global economy. Italy joined the EEC in 1957 and was therefore obliged to adhere to its principles of free exchange of labour and capital. This also meant that Italian companies (especially the large multinational concerns such as Fiat and Agip) could gain access to the European Community (EC) (Hudson and Lewis, 1984: 180). Furthermore, according to Hudson and Lewis (1984: 188), EC membership means that industrial investment in Italy (or any of the four southern European countries now in the EC) is a way of gaining better access to the EC market for multinational firms based in countries like Japan and the USA. Thus, one can see that the potential pool of surplus labour no longer exists -- due to its absorption by the ever-developing Italian economy.22

The process of economic development in Italy can be, to a certain point, extended to its southern European neighbours. Spain, Portugal and Greece have, since the 1970's experienced a GDP growth rate which surpasses developed states in the OECD (see
OECD, 1987: 53). In addition, Portugal, Spain and Greece all (to varying degrees) became integrated into the global economy. Greece became the most integrated, becoming a first associate member of the EEC in 1961 and a full member in 1975. This meant that, as is the case with Italy, Greece had to accede to the acquis communautaire, or the body of regulations and policies (mostly having to do with trade liberalization and mutual security) which the community had produced up to January 1, 1981. Portugal joined the European Free Trade Association (EFTA) and could benefit from global economic integration, while choosing to remain noncommitted politically (Slater, 1984: 87). Spain is the least integrated of the three, joining no economic unions but becoming a member of the Organization of Economic Cooperation and Development (OECD), the International Monetary Fund (IMF) and the World Bank in the 1950's. Faced with a growing balance of payments problem, Spain's integration into the global economy was achieved by the implementation of its Stabilization Plan which reduced public expenditure, devalued the peseta and relaxed investment controls (Giner and Sevilla, 1984:138). Furthermore, all have recently moved even closer towards integration into the European community trading bloc: Italy and Greece as full members of the EEC; Spain and Portugal as applicants to the EEC; Spain as a signatory to a preferential trade agreement with the EEC (see Blenkins, 1984: 278-274). Involvement in 'Fortress Europa' has consequences for labour movement in the southern European states. Workers of EEC member states have the right to seek employment anywhere in the community.

Despite similarities, the economic development of Greece, Spain and Portugal differs from that of Italy and has consequences for variations in labour flows among them. The
economic development of Italy is of a more independent nature (in terms of foreign investment) than the other three southern European states. According to Hudson and Lewis, (1984: 186) private capital flows (i.e. foreign investment) in Greece, Portugal and Spain are a major reason for their economic development, following the increasing openness of the economies. In contrast, Italy is usually a net exporter of capital. The economic development of the three countries is of a dependent nature and therefore is not as strong as that of Italy, and because of this dependent industrialization they remained low wage zones.

The position of these three countries is different from that of Italy in that cheap labour is still abundant\textsuperscript{23}, but is now being used to by multinational firms. With the increasing integration of European economies resulting in the freer exchange of labour and capital among them, European multinationals can now take advantage of cheap labour in southern Europe. Labour intensive industries have moved their factories to southern Europe (see Figure 7). The textile industry is the best example of the relocation of production to these low wage countries. Hourly wages in Europe varied between 10 DM in West Germany, 5.7 DM in Italy, 3.3 DM in Greece and 3.2 DM in Portugal (Hudson and Lewis, 1984:188) As a result, the formerly abundant supply of surplus labour from which potential migrants can be drawn was depleted due to the use of the surplus in the economies of southern Europe.

However, Spain, Portugal and Greece on one hand, and Italy on the other are integrated differently into the global economy. While Italy developed a self-sufficient
economy, Spain, Portugal and Greece depended on labour intensive, low wage industries sloughed off to them by the developed economies. The effect of the differences in development can be seen in the source countries of Canadian immigration from southern Europe. In the period 1960 to 1972, Italians comprised the majority of immigrants from southern Europe. However, in the period 1973 to 1978, Portuguese and Greek immigrants surpassed Italians as the main southern European group. Since 1972 more people have returned to Italy than have left (Ascoli, 1985: 186-187). The margin of re-entries over departures increased from +1 749 in 1972 to 15 895 in 1982. Net migration totalled 3 034 in that year. Figure 5 shows that while net migration increased for Portugal between the period 1950 to 1960, and 1960 to 1970, it decreased for Italy. Although for the period 1970 to 1975 Italy experienced a slight negative net migration and Portugal experienced positive net migration, this anomaly is due to the influx of Portuguese retornados, repatriated nationals from former colonies in Africa.

To conclude this section, the statement made by Petras, that from time to time various nation states change their ranking in the IDL, has been elaborated. In the case of the southern European states it was their 'mode of insertion' into the global economy which determined the evolution from net exporters to net importers of labour. In the final instance, it was the type of national development which determined the global integration of the southern European states, as Italy developed a strong autarkie economy while the other three nations came to be dominated by foreign investment.
Let us return to the assertion that the rankings of nation states are in flux, and determine the nationalities of those who migrate. King (1984) elaborates on this process in Europe. He conceptualizes an international European labour market which serves the Western European states. First, as we have seen, it was the southern European states that made up the European labour market. Slowly, however, the market has enlarged to include Turkey, North Africa and the other developing economies in the world. The importers of labour themselves become gradually differentiated. This is the case with the southern European states, as Spain, Portugal and Greece are differentiated from Italy. These countries, however, are 'first order' countries of emigration as compared to those in North Africa and other developing economies, whose standards of living are lower than those in southern Europe. The gradual widening of the European labour market can be seen in the proportion of the alien population residing in Western European nations whose origins are outside Europe (see Figure 6). In most cases the proportion of non-European aliens has increased markedly.

The situation for the Canadian international labour market is directly analogous to that occurring in Europe, i.e. the sources for Canadian immigration have become increasingly diverse. However, part of this diversity is due to the growing exclusivity of the European labour market. Passaris (1984: 94-95) writes of the necessity for Canada to 'beat the bushes for immigrants' in order to fulfil its expanding labour force needs. He uses the metaphor of an octopus reaching out its tentacles towards Asia, Africa, the Caribbean and Latin America for immigrant workers. This process has reached a point where the leading countries for immigration in the 1970's included India, Hong Kong, the Philippines, Jamaica,
Trinidad and Guyana. Whether it is the European or the Canadian case, the analysis of yet another sub-tier in the low wage, labour importing group of countries is a perceptive one and will be explored in the next section.

5.0 Pacific Economic Cooperation and the Emergence of the Pacific Trading Bloc

In the previous sections, high and low wage zones in Europe were identified and it was shown how the low wage, labour exporting peripheral economies of southern Europe were integrated with a network of high wage, labour importing states in Western Europe. The previous sections described the historical circumstances which made southern Europe a principal region for Canadian immigration. The preceding sections also described the developments which led to the loss of the southern European region as a source of Canadian immigration.

This section will follow the same course as the previous sections. The primary task is to identify a network of core, high wage states integrated with low wage nation states. As was the case in identifying low and high wage states in Europe, countries will be identified as either high or low wage by the criteria set out above: the so-called proximate (availability of surplus labour, material conditions of workers, level of independent economic development, general level of economic development) and indirect influences (the business cycle, integration into global or regional economy). The following sections will also show how the low wage zones can be divided into 'primary' and 'secondary' low wage zones.
A Regional Economy in the Pacific Rim

Within the area of the Pacific Rim there are indications of a formation of yet another trading bloc. The literature indicates that Asia, or more precisely the Pacific Rim area, is the heart of the global economy. This is so for two reasons. First, the pre-eminent international economic power, Japan, is located in this area. Secondly, a 'second tier' of economically dynamic nations is also present in the Pacific Rim: these are the Newly Industrialized Countries (NICs) of Taiwan, Hong Kong, South Korea and Singapore which depend on low wage, labour intensive export industries for their economic development. The economic development of the NICs in terms of annual growth rates of GDP and per capita GNP has, since the 1960's, surpassed both the oil importing as well as the developed economies (see Figure 8). Finally, the potential for the formation of a Pacific Rim trading bloc becomes more plausible with the existence of a 'periphery within a periphery' or a group of nation states with a lower wage level than either the developed economies in the region or the already low-wage NICs, the Association of Southeast Asian Nations (ASEAN).24

Political Attempts at Integration

Soesastro (1983) outlines the historical evolution of Pacific cooperation. The underlying rationale for a formal, institutionalized economic and political integration into the Pacific Rim can be attributed to the postwar internationalization of trade. According to Soeastro, the 'growing interdependence' of the Pacific region required new mechanisms
for more effective communication, especially in light of the fact that the 'international marketplace' has rendered obsolete bilateral arrangements between nation states, and forces individual states to assess the impact of domestic policy on international trading partners. An implicit motive for the creation of a Pacific Rim trading bloc was the emergence of the European trading bloc. According to Soesastro (1983: 288) the completion of the EEC's internal tariff elimination in 1968 gave a stimulus to the proposals for a similar arrangement in the Pacific region. The Eurobloc was seen to continue and strengthen its intra-regional development. Anticipating the creation of an economic union in Europe, the Japan Economic Research Centre proposed a Pacific Free Trade Area (PAFTA) composed of Japan, the United States, Canada, Australia and New Zealand. In December of 1979 the then Foreign Minister of Japan, Saburo Okita, extended the desired membership of the proposed regional economy to include the ASEAN countries.

In January of 1980, Australian Prime Minister Malcolm Fraser and Japanese Premier Ohira met in Australia and agreed to hold a nongovernmental seminar to explore the idea of a Pacific Economic Cooperation (PEC) region. It was during the seminar at Canberra that Canada became involved in the process of building PEC. Canadian business and university representatives proposed a Canada Foundation for Asia and the Pacific as a means of promoting growth, awareness and mutual understanding between Canada and its Pacific partners, and as a clearing house to coordinate activities (Soesastro, 1983:286).
The Structure of Trade Relationships in the Pacific

The flow of trade within the region is dominated by two countries: the United States and Japan (Chintayarngsan, 1983:24-26). For example, these two countries combined represented more than half of all intra-Pacific trade in primary products of each of the developing ASEAN countries (i.e. excepting Singapore). Similarly, Japan contributed the most to the growth of exports from Indonesia, Malaysia and Thailand. The United States contributed the most to export growth in the Philippines. Therefore, trade in the region goes from the least developed to the most developed. This can be seen in the share of intra-ASEAN trade (see Chintayarngsan, 1983:24). The shares of intra-Pacific exports were 69, 73, 66 and 59 per cent for Indonesia, Malaysia, the Philippines and Thailand. However, only 18.9 (Indonesia), 4.7 (Malaysia), 23.4 (the Philippines), and 7.2 (Thailand) percent of the exports from these countries were intra-ASEAN. There is a certain degree of exclusivity in Pacific trade, as ASEAN trade to the EEC showed a declining trend.

According to Maclean (1983), for the NICs in the area (figures for Taiwan were not available), Japan and the United States are their primary export markets, Singapore being the least dependent of the group. In 1980 Korean and Hong Kong exports to Japan and the United States made up more than three quarters of export share, while the share of Singapore exports to these countries amounted to approximately one third of export share. Intra-NIC trade, in comparison, represents a fraction of the export trade. Trade between the NICs and the semi-peripheral resource based economies of Canada, New Zealand and Australia is similarly small.
5.1 Industrialization at the Periphery: Japan and the 'Gang Of Four' in the Golden Age

Japan

In the previous sections, the emergence of low wage and high wage states was set against the background of the business cycle at the level of the global economy. This section will outline the political economic factors which contributed to the economic growth of Japan and the NICs, the purpose of which is to classify them as either high or low wage states. The strongest developed economy in the Pacific area is undoubtedly Japan. Japan's balance of trade performance can be used as an indicator of its position in the world economy. Japan's external balance rose from $-0.01 billion U.S. in 1952 to 1960, to $+55.0 billion U.S. for 1979 to 1985 (see Smith, 1988:88). Japan's position in the world economy can be seen in its economic performance in relation to the United States. In September of 1985, Japan's non-oil trade balance ran a surplus of $85.0 billion U.S., while United States' balance of trade showed a deficit of $85.9 billion U.S. The United States' balance of trade position worsened in December of 1987 to $110.8 billion U.S. while Japan once again ran a surplus of $47.8 billion U.S.

Japan's present position in the global economy can be explained by its importance in the northeast Asian regional economy (ie. Taiwan, South Korea, Japan and the United States) which can be traced back to post-war attempts by the United States to maintain a hegemonic influence in that region (see Cumings, 1987: 55-65). In the post-war period the Japanese economy was revived to its former dominant position in the region by the
United States to suit United State's military and economic interests in the region. Within the American design for this region, Japan would act as the semi-periphery to the other Southeast Asian peripheral economies in the interests of the dominant United States core economy. The reconstruction of the Japanese economy by the Americans made it competitive on the world market quite apart from United States’ intentions for Japan in Asia. American occupation meant a strong bureaucratic state for Japan because of the removal or weakening of other opposing societal factions (Cumings, 1987:65). Japan's relative isolation allowed the Japanese state an unprecedented opportunity to plan the Japanese recovery. This isolation can be seen in the low level of foreign assets held in Japan during the 1970s, which amounted to 2 or 3 per cent. Japan's monetary isolation (Japan has several large Banking Houses and does not have to depend on foreign financing) lessens the influence of foreign lenders and other competing interests. These factors have led to Japan's emergence from outside the shadow of American hegemonic influence and has led to its emergence as a dominant economic power on a world scale.

The 'Gang of Four'

The 1960's marked a new era in the development of the global economy as certain nation states at the periphery showed signs of industrialization. These Newly Industrialized Countries (NICs) showed remarkable signs of growth during the early part of the 1970's. Between 1970 and 1978, average yearly growth in manufacturing output in the NICs ranged from 4.6 per cent in Portugal and 6.8 per cent in Mexico to 18.3 per cent in South Korea
(Lipietz, 1987: 131). Over the course of time however, the East Asian NICs of the Pacific Basin have experienced the most sustained economic growth.

The East Asian 'Gang of Four' (South Korea, Taiwan, Hong Kong and Singapore) despite their high dependence on trade, proved much more adept in adjusting to the international shock of the seventies than their Latin American counterparts ... (Haggard, 1986:343)

The success of the East Asian NICs can be attributed to its historical position within global regional networks.26 After the war, these two nations, South Korea and Taiwan, fell under the influence of the United States because of their strategic military importance in the region. Both nations therefore were the recipients of massive amounts of U.S. aid and military assistance. The average annual inflow of aid to South Korea from 1953 to 1958 was $270 million U.S. or $12 per capita, roughly 15 per cent of per capita GNP. Similarly, Taiwan received economic aid of about $1.5 billion U.S., averaging about $100 million per year or $6 per capita. Singapore served as an entrepôt for British colonial interests. As such, certain industries were quite developed. Large scale manufacturing in printing, publishing and food and rubber processing were in the hands of Chinese family empires. (see Haggard and Cheng: 1987:103-107). More importantly, Singapore inherited a strong state structure in the form of a coherent and centralized administration. Hong Kong, as well, benefited from its colonial ties. There is a long history of British and overseas Chinese enterprises, both commercial and manufacturing headquartered in Hong Kong. This sector, with its extensive ties to the world markets would later facilitate the activities of Chinese manufacturers.27
This section has established the intervening influence of the global economy on the economic development of Japan and the NICs. As can be seen, both Japan and the NICs were able to take advantage of the opportunities afforded to them by the global post-war boom. While it is possible to classify Japan as a *bona fide* core economy, the same cannot be said of the NICs. Japan, therefore, can be considered a high wage, labour importing state, while the status of the NICs remains indeterminate. This is so because the NICs possess certain but not all characteristics of low wage states. Given the factors used to identify a state as a low wage and therefore labour exporting country, the NICs are clearly atypical. In terms of the level of economic development, it has already been shown that the economic growth of the Asian NICs outstrips that of many economies at the core. While it would not be accurate to say that the NICs are free of foreign investment and thus exhibit independent economies, foreign investment is controlled and limited to certain industrial sectors. Moreover, the NICs (with the exception of South Korea) do not possess a large surplus labour force, an important indication of a labour exporting state. However, the NICs do possess one important characteristic which may qualify them as a low wage state, namely that the industrialization of the NICs is predicated on a cheap labour force. Therefore, the material condition of the workers is similar to that of workers in low wage states, which would make the NICs potential labour exporting states.

*The Material Conditions of Workers*

Haggard and Cheng (1987: 116) describe the nature of the states in the Gang of Four Asian NICs (with the exception of Hong Kong) as "politically insulated leaderships
committed to rapid capitalist industrialization." Indeed, the nature of the states in the NICs was similar to that in Southern Europe, where authoritarian regimes were the norm. The difference was that while the corporatist states in southern Europe represented a reactionary alliance between the landed elites and a weak bourgeoisie, according to Haggard and Cheng (see 1987: 1101-121) the state in the NICs formed a tacit alliance with business. Given the implementation of land reform in the NICs, the landed elites were excluded from the state.38 In Singapore, the liberal-nationalist People’s Action Party (PAP), after purging left-wing elements, embarked on a strategy that was to culminate in a one-party dominant system and the reorientation of organs of government to implement economic reforms. The ‘no-party colonial administrative state’ in Hong Kong fits an authoritarian model, and liberal economic reforms were simply imposed by the commercial and financial interests. In Korea, leftist forces in the labour unions and urban and rural political parties were weakened or destroyed by the political tactics of the American occupation forces. Despite the democratic institutions imposed by the Americans, the right wing nationalist movement under Syngman Rhee was able to maintain a significant degree of executive autonomy, through political patronage of business, the control of American foreign aid and the use of the secret police. In Taiwan, the party in exile, Kuomintang, formed an alliance with business and liquidated most opposition following an island wide revolt in 1947.

In all cases exclusion of the working class through corporatist or more directly repressive methods formed the backbone of industrialization by the NICs. Deyo (1987: 185-186) notes that where a history of labour militancy posed a threat, the launching of
Export Oriented Industrialization was accompanied by heightened labour repression. Koo (1987) has stressed that the EOI of the NICs did not depend only on economic planning. No less important is the control and discipline of a low-wage labour force, thus reinforcing their comparative advantage. In Hong Kong this manifested itself in labour controls at the enterprise level which rigidly suppressed or discouraged union activity (Deyo, 1987:187). Hong Kong legislation did not protect workers rights to organize, or guarantee social services or a minimum standard of living. In Taiwan, although there are state mandated social services at the enterprise level, the substance of state labour legislation has not changed dramatically since the 1960's. Furthermore, state encouragement of labour organization in Taiwan has taken place within the context of management-dominated unions.29

In contrast to the corporatist approach in Taiwan, South Korea has adopted more centralized and repressive forms of labour control. As a result of labour militancy in the 1960's, General Park Sung Hee declared martial law and imposed a total ban on strikes, deregistered all unions and arrested union leaders. The creation of the Free Korea Trade Union (FKTU), with which all reactivated trade unions had to affiliate, functioned to centralize control of the trade unions and act as a moderating influence on its members. When the People's Action Party defeated the leftist Barisan Socialis in Singapore in 1963, opposition union leaders were jailed, unions deregistered and legislation passed which proscribed permissible political activity by labour. A decision to follow an EOI strategy was followed by legislation that reduced permissible benefits, overtime work, bonuses, maternity leave and fringe benefits, while giving management full discretionary power in matters of
promotion, transfer, recruitment, dismissal, reinstatement, assignment, allocation of duties, or termination.

**Level of Independent Economic Development**

The authoritarian nature of the Asian NICs was also combined with a strong nationalist focus by which the NICs could control economic liberalization. Bienfeld (1988: 7-41) attributes the economic success of Taiwan and South Korea to precisely the selective intervention of the state in the economy. For example, while placing no restrictions on exports, South Korea continued to maintain import controls on key industries.\(^{30}\) Taiwan implemented administrative controls and the development of export cartels to accomplish the same ends. In South Korea, foreign investment was encouraged only when the terms and conditions allowed foreign activities to be integrated into a nationally defined development strategy. While the extent of foreign investment in Taiwan is less than in South Korea, the Kuomintang nevertheless exercised strict control of foreign investment. Haggard and Cheng (1987: 95) write that in South Korea and Taiwan, state-owned enterprises and close government support for domestic firms acted as checks on the domination of heavy industries by foreign firms. In the case of most of the NICs (with the exception of Singapore) where foreign firms came to dominate the entire manufacturing sector, domestic firms occupied important positions in most export sectors.

We can see that the success of the Asian NICs was due to their particular position in the world economy. Most importantly, the economic growth of the Asian NICs was
predicated on the use of a cheap and abundant labour force. Figure 9 shows the extent to which NICs' export growth relies on low wage labour, as the wage rates in the important export sectors in the NICs are a fraction of those in the developed economies but higher than those in the ASEAN economies. The surplus labour pool is beginning to dry up, as can be seen by a marked decline in employment in the agricultural sector for the NICs, although South Korea still has a sizeable amount of workers in agriculture (see Figure 10). The economic development of the NICs is so great that they have begun to export to other peripheral economies.

The above sections have shown that the NICs can justifiably be regarded as low wage states and thus potential labour exporting countries. However, Petras has pointed out that the status of nation states are always in flux and this observation can be made of the NICs. The economic growth of the NICs has, at the heavy price of political repression, indeed contributed (with some qualification) to an increase in the material benefits of its population. For example, Barrett and Chin (1987: 29) cite evidence that the income inequality gap in the Gang of Four NICs has diminished over time, especially in Taiwan where the rate of decline is determined to be the largest of any nonsocialist country since 1900. The absorption of the domestic low wage population reached its limit in the NICs. By 1980, unemployment rates in the NICs fell substantially since the beginning of export-oriented industrialization. However, Deyo (1987: 196-199) qualifies the findings of relative improvement in income inequality found in the NICs. He cites the fact that the reduction in the income gap may be due to the higher level of labour extraction in the NICs. The reduction in the income gap merely reflects the absorption of more low wage workers
(women and youth) into the labour market, thus giving families more than one (albeit) low wage earner."

Leaving aside the material conditions of workers in the NICs, wage rates did increase since 1975, almost 200 per cent in South Korea. The economic prosperity of the NICs has placed upward pressure on the value of their currency, thus making labour from other less prosperous areas more attractive. The rapid industrialization of the NICs has led to a rise in the exchange value of the NICs' currencies, reducing their 'comparative advantage' in low-wage labour. In Hong Kong, due to the tight labour market and the value of the Hong Kong dollar, wages jumped 20 per cent in the export-dependent electronics industry (Asiaweek, 1980:45). The Taiwan dollar (NT$) has appreciated 39 per cent since the end of 1985 while the South Korean won has risen 14 per cent in the same time period (Goldstein, 1988: 69).

To conclude, the end result of this acceleration of wage rates and the drying up of internal labour reserves was the migration of workers from the low wage 'second order' zones to some of the Asian NICs, especially those with small populations. Thus, the position of the NICs is analogous to that of the southern European states, ie. they are low wage zones of the 'primary order'. Given the gradual depletion of the surplus labour pool, and the relative affluence of the workers, it would not be surprising that the NICs should find new ways of exploiting cheaper labour elsewhere. The revaluation of the NICs currencies has also led to a new phenomenon in these countries: that of the export to other less developed countries in Asia of the more labour-intensive tasks in the production
process. For example, Hong Kong capital (in joint ventures, licensing agreements, or subcontract work) has located some of its production to nearby Guandong province in China (Goldstein, 1988:71-73). South Korea’s large multinational Kolon International has set up a garment factory in Indonesia. NICs are now also concentrating on ‘upstream’ (ie. capital intensive) production rather than the ‘downstream’ labour-intensive processes. The South Korean government is now providing incentives for dyeing and finishing sectors of the garment industry. Thus, labour importing countries at the core have to consider other labour exporting states other than the NICs for their immigration needs.

5.2 ASEAN: The Low Wage Labour Market Of The Pacific

The previous sections dealing with migration flows in the Eurobloc described the tapping of a ‘second periphery’ of labour importing states, due to the economic development of the ‘first periphery’ southern European states and the subsequent loss of these states as exporters of labour. Economic development in southern Europe led to the depletion of labour reserves which in turn removed the structural conditions that made southern Europe a labour exporting area. Labour importing states in Western Europe had to look farther afield for their immigration needs. The process described above can be applied to the Pacific Rim as well. The previous section described the low wage nature of the NICs and the gradual development of their economies. Much like the case of the southern European states, the promotion of the NICs to semi-peripheral status has led to a degree of economic prosperity and removed the structural conditions which promoted labour migration. This section will show that there exists a ‘second periphery’ of nation
states which possess the necessary conditions that would make them labour exporting economies.

The ASEAN is one regional economy which has been a major exporter of labour, along with the NIC South Korea which has a sizeable agricultural population. This can be seen by these countries’ exports of temporary labour mostly to the Middle East but also to the NICs and the developed economies. In the Philippines, contract workers constituted 5.6 percent of total emigration in 1970. In 1974 this proportion grew to 47 per cent (Stahl, 1986:1). The typical destination for a Filipino temporary worker in 1983 was the Middle East which accepted 253,080 workers, constituting 78 per cent of Middle Eastern demand and over 66 per cent of world demand for Filipino land-based workers (Stahl, 1986:3). Migrant workers from ASEAN are not destined only for the Middle East. Thai workers are also employed in the construction industry in Hong Kong as well as in the Middle East (Asiaweek, 1980:45). The favoured destination of Indonesian construction workers is Saudi Arabia, where 73 per cent of Indonesian temporary labourers work (Stahl, 1986:11). Iraq and Singapore follow, appropriating 20 per cent of Indonesian migrant workers. Heyzer (1982: 185) estimates that 120,000 temporary labourers work in the industries of Singapore.

Female temporary workers form a large part of labour flows from the ASEAN. Female labour is recruited from the Kampons of Malaysia to work in the manufacturing industries of Singapore (Heyzer, 1982:180). Female domestic workers (rather than construction workers) constitute the majority of temporary workers flowing out of the ASEAN to the core economies. Female labour constituted 40 per cent of migrant labour in the Philippines (Clad, 1988:19). The Philippine government estimates that 80,000 domestic
workers went abroad in 1987 alone, while 33,000 female 'entertainers' (prostitutes recruited by night clubs) went to Japan in 1988. Currently, about 54,000 Filipina domestics work in Asia, more than half in Hong Kong and another 16,600 in Singapore. A significant number of domestics are destined for Western and southern Europe. For example, there are an estimated 7,000 to 8,000 domestics working (legally or otherwise) in Italy (Del Rio, 1980:7). Other destinations in Europe include France, Spain, the Federal Republic of Germany and Belgium (Le Soir, 1980:38). There are several reasons for the existence in the ASEAN countries of an international reservoir of labour. First, the 'mode of insertion' for most for ASEAN countries (excepting Singapore) in the international economy was different from that of the NICs. This in turn preserved the structural conditions which traditionally have marked the existence of a potential pool of unused or under-utilized labour. Third, as in the NICs, the industrialization policy of the ASEAN countries is based on the exploitation of a cheap and abundant labour force.

ASEAN in the Global Economy, Indirect Influences: The Background

In the previous sections, the position of a state as either a labour importing or labour exporting country was set against the background of the global economy. The following discussion will focus on the processes of the global economy which reinforced the position of the ASEAN nations as labour exporting economies. The unprecedented expansion of the global economy from 1953 to 1973 benefited the early comers to EOI. The insertion of the Gang of Four NICs into the global economy (both in terms of foreign investment and switch to EOI) occurred in the 1950's and 1960's (see Haggard and Cheng,
1987) ---- the height of the Golden Age in the international economy. In contrast, most ASEAN states, began to open their economies to foreign investment and shift from Import Substitution (IS) to Export Oriented Industrialization (EOI) in the 1970's. The possibly 'once and for all' expansion of the global economy in the Golden Age and the Oil Shock of 1974, plus competition from the older NICs would intervene against those developing countries who wished to follow the same economic route as the Gang of Four, albeit later in the game. According to Lim (1983: 54), many of the labour intensive industries on which the hopes of economic prosperity were pinned by the ASEAN states (such as the Philippines and Malaysia)--- most notably textile and apparel--- faced stagnating markets, worldwide excess capacity, and increased protectionism in importing countries, problems which the Gang of Four did not face.

Moreover, the problems of Free Trade Zones are magnified for those coming into EOI later in this decade. In Chapter 1, it was pointed out that one of the disadvantages of Free Trade Zones was that there were no backward linkages to the rest of the economy. An indication of this may be that, despite rising levels of productivity (as measured by GDP) for the ASEAN states (see Figure 11), the agricultural sector continues to make up a majority share of GDP. This is in contradiction to the received knowledge that as national output grows, the share of manufacturing in GDP should rise and that of agriculture should fall (see Sharma, 1985:25). This may indicate that most of the increase in output from ASEAN is destined for export markets and is concentrated in a small part of the national economy. Therefore, the increase in national output provides no stimulus to the development of the national manufacturing sector and the overall development of
the economy. Thus, despite an EOI strategy similar to that of the Gang of Four, the situation at the level of the global economy (which exacerbated the problems of EOI), served to maintain in ASEAN a potential pool of cheap labour.

Direct Factors: ASEAN as a Low Wage Zone

The previous paragraphs have described the background against which ASEAN can be identified as a labour exporting region. The following sections will show that structural conditions exist which allow one to consider ASEAN as a low wage zone and thus a labour exporting state.

Independent Economic Development

The 'insertion' of the ASEAN nations in the global economy can be seen in the attempts of ASEAN countries to open their economies to international capital (i.e. foreign investment). Sharma (1985: 27-32) describes the industrial policies of the ASEAN countries. Unlike other ASEAN countries, foreign investment in Indonesia was integrated into a series of five year plans (Repelita I, II and III) which were intended to develop Import Substitution rather than Export Oriented Industrialization. The internationalization of the Indonesian economy began in the late 1960's with the enactment of the Foreign Capital Investment Law of 1967 and the Domestic Investment Law of 1968. Incentives for foreign investment in Indonesia included the now familiar litany of import duty exemptions, tax holidays, corporate tax exemptions and other financial perks. In Malaysia, foreign
in the Middle East. Given that the ASEAN nations possess the structural characteristics which identify them as labour exporting states, it is not surprising that a significant number of foreign workers in the OPEC nations come from ASEAN nations.

The Business Cycle

According to Mazier (1982: 50-71), the Golden Age of Capitalism began to decline in the 1960's. In general, the decline was due to the inherent contradictions of the present capital intensive accumulation stage. In the intensive mode of accumulation, surplus value (profit) is extracted not by increasing the scale of production, but by increasing the rate of exploitation. This is done through the application of technology and the organization of work (assembly lines etc.). By the 1960s the productivity limits to this mode of accumulation began to be reached, as workers began to question work conditions and technology innovations could no longer carry the burden of increased productivity. Social unrest was cited by Mazier (1982: 52) as the reason for a decline in productivity in Italy and Germany. As a result of the previous gains made by workers in the Postwar period, the crisis in profitability was made worse by the increased share that wages accounted for in national incomes and the increasing cost of social security and other indirect labour costs which rose more rapidly than the wage and salary bill.

The fate of the Golden Age was sealed with the creation of the OPEC oil cartel (see Maddison, 1982:149). The result of the cartel's pricing policy was a world wide recession in 1974 and 1979. The Oil Crisis, while being a bane to the developed
Surplus Labour Pool in ASEAN

The structural characteristics of the labour market in the ASEAN states are shown in Figures 12 and 13. The unemployment rate for the ASEAN countries is generally higher than that of developed economies. Sharma (1985: 32-41) cautions that unemployment rates in the ASEAN countries refer only to open employment, indicating that there is a considerable amount of under employment in the ASEAN nations. Further, he cites that in the Philippines the rate of under-employment increased from 10.9 per cent in 1972 to 14.6 pe. cent in 1982. The equivalent figure for Malaysia was 2.0 percent in 1972 and 2.2 per cent in 1982. While employment in the agricultural sector declined over the past decade for the ASEAN states, only in Malaysia did the number employed in the agricultural sector drop below half (see Figure 13). In the case of the Philippines, the fluctuation in the share of employment in the agricultural sector varied within a three percentage point range. In Thailand, leaving aside a single anomalous year, the number employed in agriculture never varied very much from roughly three quarters of the employed population. A most important finding is that while manufacturing output increased (measured as percentage share of GDP), there has not been a complementary rise in employment in the manufacturing sector.

Another important aspect of the ASEAN labour market is that, in political economic terms, a large proportion of the labour force does not participate in the wage relation i.e. a large number are self-employed or unpaid family workers. In Indonesia, self-employed and unpaid family workers accounted for 43.0 per cent of the workers employed
in manufacturing activities in 1977. In Malaysia, 39.5 per cent of the total employed persons belonged to the category of self-employed and unpaid family worker in 1975. In the Philippines, the self-employed and unpaid family workers accounted for 57.9 per cent of total employment in 1970. In Thailand, about 86 per cent of the workers were classified as either self-employed or family workers in 1971. For those who do participate in the wage relation, remuneration, compared to that in the developed economies, is dismally low. In a survey of wages in the Free Trade Areas in Malaysia, Datta-Chauduri (1983: 84-85) found that 43 per cent of the female workers earned between M$0.76 and M$1.00 per hour or the equivalent of 22 and 45 cents U.S. per hour. Given that a typical female worker laboured between 45 and 48 hours per week, (Datta-Chauduri, 1983:84) the typical monthly wage bill for a FTA worker is between $8.90 U.S. and $21.60 U.S.. In contrast, the average hourly wage earning for a worker in the garment and electronics industry in Japan and the United States is $5.97 U.S. and $6.96 U.S. respectively.

In conclusion, one can see that there exists a virtually unlimited supply of unutilized or under-utilized labour. In political economic terms, there exists a large reserve army of labour in the ASEAN states. The fact that most of the people in the labour market do not actually participate in the wage relation creates a potential labour pool. A very large agricultural workforce means that the manufacturing sector can deal with labour shortages. However, since growth in manufacturing in the ASEAN does not mean growth in employment in the manufacturing sector, labour is compelled to look outwards. However, the possibility of exploiting this potential pool of labour remains the prerogative of the
state. As we shall see in the following sections, the state creates the circumstances under which individuals may be compelled to migrate.

*The Material Conditions of Workers Trade Unionism and Industrial Relations in ASEAN*

Edgern (1983: 41-44) details some aspects of industrial relations in the Free Trade Zones in developing states. He argues that with the drive for export led growth, greater labour repression has taken place. The rights of unions to organize, elect leaders of their own choice and to bargain collectively have been significantly reduced since the late 1960's, in particular within the Free Trade Zones (FTZs). In the Republic of Korea a Provisional Special Law Concerning Regulation of Labour Unions and Labour Disputes at Foreign Capital Firms was introduced in 1970, prohibiting all labour disputes in the zones. Statutory arbitration committees were set up to resolve labour disputes, and wide ranging exemptions from existing labour laws were granted in the zones. Trade unions were in fact banned from the zones.

In Singapore, the Industrial Relations (Amendment Act) of 1968 stipulated that certain issues like dismissals and reinstatements were no longer negotiable. Collective agreements in 'pioneer' industries could no longer contain terms which were more favourable than those laid down by the Employment Act without special government approval. New industries would keep their 'pioneer' status for a period of five years, after which they would have to bargain with trade unions, but the government had the last say with compulsory arbitration. Similar regulations were instituted in Malaysia through the Industrial Relations Act of 1967, as amended in 1971. Unions were no longer able to negotiate about dismissals, which according to the Malaysian Trade Union Congress led to
victimisation of trade union leaders with no right for the union to negotiate reinstatement. In addition, the Government laid down strict rules for registering unions, (particularly the electronics industry) and for the election of union officers, which made it difficult for existing unions and experienced organizers to get a foothold in the 'pioneer' industries. Strikes were banned and even a refusal to work overtime would be construed as strike action. A tightening of labour legislation in general took place in the Philippines in connection with the introduction of Martial Law and the Labour Code of 1974. No strikes were allowed in vital industries which included the FTZs. The Export Processing Zone Authority (EPZA) has exclusive authority over the zones and exercised the final influence through compulsory arbitration. Trade unions are not prohibited in the zones but their profile is low. Thus we see that labour was, just as in the NICs, put under severe restrictions by the state.

In conclusion, we see that the position of the NICs and ASEAN in the global economy determined whether or not these states were importers or exporters of labour. The ASEAN states, as late comers to the international labour market, did not reach the same level of economic development as that of the older NICs. A large agricultural sector and non-wage earning pool combined with an underemployed skilled labour market segment made the countries of ASEAN a prime sending region for temporary workers. The states in the ASEAN were then free to take advantage of these objective conditions and integrate temporary labour migration into a program of national economic development. On the other hand, the Asian Gang of Four which embarked on an EOI strategy early in the Golden Age were faced with a declining labour surplus population, as the number of
people employed in agriculture and the unemployment rate declined. Moreover, the economic development of the Gang of Four put upward pressure on the wage rates in these states. Over time, the economic development of the Asian NICs would make them importers of labour from their immediate periphery: the ASEAN states. We can see therefore, that the development of each state determines its position as either as an importer or exporter of labour. However, as Graham and Gibson have noted, (1986: 134) the factors which determine the geographic destination of temporary workers are (in, presumably, order of importance): the (industrial) sectoral level of development of productive forces on a global scale, labour supply conditions at particular sites of production, and the suitability of the division of labour to the workforce. This is a perceptive analysis since it links events at the level of the global economy to the geographic destination of migrants. This analysis helps to explain the predominant destination of most temporary migrant workers: the construction sites in the Middle East.

6.0 The Fall of the Golden Age and International Migration

In the discussion of migration trends in the Eurobloc, the effect of the business cycle on migration was discussed. More specifically, it was shown how the global economic expansion in the Golden Age contributed to the migration of workers from the peripheral economies in southern Europe to core economies, including Canada. It would not be an unfair generalization to say that immigration was severely curtailed in most developing economies after the Oil Crisis. However, the global economic recession in the 1970's did not eliminate international migratory movement, but only redirected it to the OPEC nations
in the Middle East. Given that the ASEAN nations possess the structural characteristics which identify them as labour exporting states, it is not surprising that a significant number of foreign workers in the OPEC nations come from ASEAN nations.

The Business Cycle

According to Mazier (1982: 50-71), the Golden Age of Capitalism began to decline in the 1960’s. In general, the decline was due to the inherent contradictions of the present capital intensive accumulation stage. In the intensive mode of accumulation, surplus value (profit) is extracted not by increasing the scale of production, but by increasing the rate of exploitation. This is done through the application of technology and the organization of work (assembly lines etc.). By the 1960s the productivity limits to this mode of accumulation began to be reached, as workers began to question work conditions and technology innovations could no longer carry the burden of increased productivity. Social unrest was cited by Mazier (1982: 52) as the reason for a decline in productivity in Italy and Germany. As a result of the previous gains made by workers in the Postwar period, the crisis in profitability was made worse by the increased share that wages accounted for in national incomes and the increasing cost of social security and other indirect labour costs which rose more rapidly than the wage and salary bill.

The fate of the Golden Age was sealed with the creation of the OPEC oil cartel (see Maddison, 1982:149). The result of the cartel’s pricing policy was a world wide recession in 1974 and 1979. The Oil Crisis, while being a bane to the developed
economics and most of the developing world as well (in the form of increasingly onerous debt burdens), was a blessing to the oil exporting countries and especially to the Arab OPEC oil cartel members. The most significant aspect of the Oil Crisis was the world wide redistribution of income. Over 1973-80 real output per head grew at 2 per cent per year in the developed states but real income growth averaged only 1.5 per cent (Maddison, 1982:149). The difference between productivity and income in the core was a transfer of resources to the OPEC nations. The lack of population in most OPEC countries, the sudden burst of oil revenues going to previously underdeveloped states created a need for a modern infrastructure to support growing industrial development, made the Middle East a magnet for temporary labour.

Migration Movements in a Recessionary Period

Ecevit (1983: 260) provides a general description of temporary workers in the Middle East. In 1975, there were close to 2 million immigrant workers in the oil exporting countries of North Africa and the Middle East. Although the volume of the immigrant labour stock was not so large as that in Western Europe, its proportion to total population and employment was considerably higher. In several oil exporting countries in the region, immigrant labour was greater than indigenous labour by wide margins. Ecevit traces the high dependence on immigrant labour in states such as Qatar, Kuwait and the United Arab Emirates to the small indigenous population bases. Low labour force participation rates, especially among women, and the underdeveloped educational systems have further limited the manpower stocks available for rapid expansion in the OPEC economies.
The evidence seems to indicate that Asian foreign labour makes up a small part of the flow of foreign workers going to the oil exporting states. The oil exporting countries derive most of their foreign labour needs from their immediate periphery, i.e. the non-oil-exporting Arab and North African states (Egypt, Yemen Arab Republic and Syria). While the importance of the Asian foreign labour force is of minor importance to the Oil exporting countries, contract labour flows from the Asia to the Middle East represent a major share of the ASEAN labour exporting countries of Thailand, the Philippines and South Korea. Stahl (1986: 81-82) describes the extent of Asian foreign labour migration to the Middle East. In 1983, the Philippines Overseas Employment Administration processed 380 263 land based workers, 323 398 (80 per cent) were destined for the Middle East. Of the workers departing from Indonesia, January through September of 1983, 14 686 were destined for the Middle East, 90 per cent to Saudi Arabia. In the years between 1974 and 1982, 77.4 percent of Korean migrant workers were destined for the Middle East (Kim, 1986:166).

The preceding sections have attempted to identify labour exporting economies in geographically diverse regions in the global economy. The decline in Canadian immigration from southern Europe was described and was attributed to the development of the southern European economies. Next came a discussion of labour exporting economies in the PEC region. While migratory movements within each region were discussed, no effort has been made to describe the inter-regional changes in Canadian immigration. In other words, implied in the discussion of labour exporting countries in the Eurobloc and the PEC
is an attempt at describing changes in source countries for Canadian immigration not just within regions (for example, the change in source countries from Western to southern Europe) but also between the labour exporting countries in the Eurobloc to those in the PEC region. The following discussion will describe the net effect of economic changes, in labour exporting economies in the Eurobloc and the presence of a large surplus pool of labour in the PEC, on the changing source regions for Canadian immigration.

*Canadian Sources of Immigration: Regional Changes*

The shifting economic fortunes of the labour exporting countries and Canada's own economic position affected the source countries for Canadian immigration. The previous discussion has already established that the southern European states can no longer be considered a major source region for Canadian immigration. Given the existence of a large labour pool in the PEC region, a decline is expected in Canadian immigration from the formerly labour exporting economies of southern Europe and an increase in immigration from the low wage zones in the PEC region.

A breakdown of sources of immigration reveals that Europe has experienced a decline in emigration (see Figure 14). In contrast, Canadian immigration has increased from the PEC region. Moreover, the source countries for Canadian immigration reflect the various positions of the states in the PEC region (see Figure 14). In the year 1970, most immigrants from the PEC region came from the developed states. Research shows (the results of which are not shown in Figure 14) that most of these immigrants come from
Australia. The predominance of immigrants from Australia indicates its position as a white commonwealth country. This fact, coupled with the preference for European or Commonwealth countries in Canadian immigration policy in the before 1967 explains the predominance of Australian immigrants from the PEC region. Figure 14 also shows that contrary to what was expected, NIC's immigration to Canada is almost as large as that of immigration from the labour exporting countries in ASEAN. Further investigation reveals that, most of this number originate from the British possession of Hong Kong. Given that Hong Kong is a state with a relatively developed economy and a small surplus population, it was not expected that it would be a major source country for Canadian immigration. However, the large number of immigrants coming from Hong Kong can be explained by its changing political position from a British possession to a 'special region' in the People's Republic of China and its historical role as a source (given its commonwealth status) for Canadian immigration.

7.0 Conclusion

As Lipietz points out, the global economy is a complex object. As was described, the global economy is not only a series of networks with various centres, it is composed of 'networks- within- networks', peripheries- within- peripheries' and 'cores- within -cores'. Moreover, these networks are related to each other, but as has been described, relationships between networks are qualitatively different. Not only is the global economy complex, but it is a dynamic thing as well. Thus labour flows coming to Canada have changed several times as the various positions of regional economies have changed. In
addition, the changing positions of the regional economies must be traced to the conditions at the level of the global economy. In the end, conditions at the level of the nation state ultimately determine the position of each state in the complex of networks, regions and subregions which constitute the global economy.

Finally, this chapter has gone to great lengths to specify the membership of specific states in regional economies and the effect of changing relations within these regional networks on source countries for Canadian immigration. The European states were described as being part of a large, regional economy. Similarly, Japan, the NICs and ASEAN were identified as being part of a regional economy in the Pacific Basin. In contrast, no effort was made to identify the membership of Canada in any regional economy or to specify the impact on migration of Canadian membership in such a regional network. For the purpose of analysis, any mention of Canada's involvement in its own regional economic network is reserved for the following chapter. This is because it is helpful to distinguish between Canada's secondary ties with low wage, labour exporting states and Canada's primary relationships within its own regional economic network.

It is important to distinguish between these two types of relationships in order to help explain different aspects of Canadian immigration. Identifying different labour exporting states helps to trace the changing source countries for Canadian immigration. However, it does not explain the changing demand for immigrants in Canada. To answer this question, one has to examine the position of Canada within its own regional economy. As will be shown in the following chapter it is the unique impact of the global economy
on Canada and the position of Canada within its own regional economic network which
determines the level of Canadian immigration. Ultimately, the demand for immigrants in
Canada is the most important question to answer because it is consistent with the
assumption of this thesis that events occurring at the level of the individual nation state
serve to determine its position in the global economy and consequently, its demand for
immigrants.
CHAPTER 3:  
Canada in the Global Economy

1.0 Introduction

The purpose of this chapter is to describe the position of Canada within its own regional economy and to describe the various consequences for Canadian immigration. Specifically, while the previous chapter explained the changing source countries for Canadian immigration, membership of Canada within its own regional economy affects Canadian immigration in three ways: a) regional membership affects intercontinental migration specifically, migration flows between Canada and the United States; b) the occupational distribution of Canadian immigrants; c) immigration levels i.e. the number of immigrants permitted to enter Canada. Intercontinental migration trends are directly affected by Canada’s position in its own regional network. However, it is argued that Canada’s position in its regional economy only affects the occupational distribution of immigrants and immigration levels indirectly. The ‘causal chain’ can be described as follows: Canada’s membership in the global economy affects its labour market needs, which in turn affects the formulation of immigration policy, which finally affects the occupational characteristics of immigrants and immigration levels.

Canada as a High Wage Zone

Given the argument set out above, the most logical starting point for this chapter is to describe Canada’s position in the global economy. In the previous chapter it was
assumed that Canada was a core, high wage zone and thus a net importer of labour. This assumption will also be made in this chapter. In the previous chapter, explicit criteria were applied to states in order to classify them as high or low wage zones and therefore, importers or exporters of labour. There are two reasons for de-emphasizing the need to explicitly identify Canada as a high wage zone. First, there is ample evidence in the literature to justify the view that Canada is a core economy and a high wage zone. Emmanuel (1972), for instance, contends that the relatively high wage levels in the white settler colonies of the nineteenth century accelerated their industrialization. Panitch (1981) cites Canada’s white dominion status, the influence of the United States and the existence of a continental labour market as the reason for the existence of a ‘high wage proletariat’ in Canada. Wolfe (1984) describes the implementation of Welfare State policies in Canada and the gradual improvement of the material condition of workers in Canada. Secondly, while explicitly identifying low wage, labour importing states is useful in explaining source countries for Canadian immigration, explicitly outlining the factors which would classify Canada as a high wage zone would prove less useful in explaining intercontinental migration, the occupational distribution of immigrants or immigration levels.

It would be more useful to outline Canada’s historical relationship with nation states considered important to its economic development. This is because the level of economic development of the Canadian economy was considered important in explaining intercontinental migration, the occupational distribution of immigrants and immigration levels. This is not to say that, in describing the political and economic ties that bind Canada to its regional partners, the discussion need not include sections on level of foreign
investment, the level of unemployment and the number employed in the agricultural sector in Canada (i.e. those factors used in the previous chapter to classify a state a high or low wage zone). However, outlining the regional relationships that Canada has with other nation states and its effect on the Canadian economy takes precedence over any discussion of the structural factors which would identify Canada as a high wage, labour importing state. Giving analytical priority to the development of the Canadian economy is consistent with the assumption that the nation state is the proper unit of analysis. In addition, the previous chapter demonstrated the importance of the business cycle and its influence on the economic development of nation states and therefore, their status as net importers or exporters of labour. The business cycle is also considered important in explaining the occupational distribution of immigrants and immigration levels. However, consistent with the assumption that the processes at the level of the nation state should take precedence over processes at the global economy, discussion of the business cycle will emphasise fluctuations in the domestic (i.e. Canadian) economy.

*Explaining the Characteristics of Canadian Migration Flows*

The focus of this chapter, therefore, will be on the specific historical ties that Canada has with nation states within its regional economy. Given a broad historical perspective, the fortunes of Canadian economic development is primarily tied to one transatlantic and another continental partner: the United Kingdom and the United States. Thomas (1954) perceives the economies of the United States, Canada and the United Kingdom not as autonomous entities, but as interdependent parts of a larger regional
economy. Moreover, in order to gain a better insight into the nature of economic growth, Thomas looks on the international movements of labour and capital and commodities as if they were interregional (Thomas, 1954:30). Within the colonial period, the United Kingdom had the most influence on Canada's position in the global economy. With the achievement of American independence, Canada became involved in a triangular exchange of labour, capital and commodities with the United States and Britain. The influence of the United Kingdom on the economic fortunes of Canada began to dwindle as the sun set on the British Empire. In the modern period of monopoly capitalism which characterises the global economy after WWII, the so-called Transatlantic Triangle has been replaced by a Continental Trading Bloc.

It will be shown that Canada's position in its regional economy directly affect intercontinental migration between Canada and the United States. It will be argued that the emergence of the United States as a dominant core economy led to the initial out-migration of skilled workers from Canada to the United States. However, as the Canadian economy began to industrialize and develop, the magnitude of this outmigration grew smaller. Canada's position in its regional economy has a more indirect influence on the occupational character of immigrants as well as the level of immigration. The development of the Canadian economy within the Continental Trading Bloc led to specific labour market needs which in turn led to the formulation of immigration policies which sought to fill that need. In addition, the development of the Canadian economy, in terms of periodic, short-term fluctuations of the domestic business cycle, influences immigration levels.
2.0 The Transatlantic Triangle

This section describes Canadian involvement in regional economic relations with the United States and the United Kingdom. The purpose of this section is to illustrate how developments in the Transatlantic regional economy affects intercontinental migration. The foundations of this Transatlantic Triangle are the achievement of independence by the Thirteen Colonies and the defeat of the Southern plantation states by the industrial North. Up until 1776, the positions of British North America and the Thirteen Colonies (that would be the United States of America) were relatively similar: they were part of the "grand mercantilist" design of the British Empire (Clement, 1977:34). Both countries were to be the suppliers of raw materials for Great Britain, the 'workshop of the world'. British North America and the Thirteen Colonies were also considered captive markets for British manufactured goods. As a result of increasingly onerous taxation acts, due to the spiralling costs of administering British possessions in North America, the population of the Thirteen Colonies began to show signs of restiveness which culminated in the American Revolution of 1776 and the declaration of the Constitution of the United States of America. The American Civil War, and the defeat of the staple-producing Southern plantations marked the end of the mercantilist era in the United States. Industrialization expanded outwards from the North and into the Southern plantation states, thus completely eliminating this source of raw materials for Britain. With the Thirteen Colonies lost as an important source of staples for Empire, Britain turned to Canada for other requirements besides furs. Thus Canada was pushed closer than ever into the folds of the Empire, due to the expanded trade with Great Britain. However, Canada became not only a supplier
for the Empire but also, as United States trade began to internationalize, an entrepôt for American goods bound for points within the British Empire (Clement, 1977:39).

Brebner (1945) describes the capital, labour and commodity exchanges in the transatlantic triangle, the lines of which, by the 1900s, were clearly drawn. In time, the productive capacity of the United States depleted domestic supplies of raw materials. Canada, therefore, became a supplier of raw materials for its southern neighbour. Another aspect of the transatlantic triangle was American direct investment in Canada. In order to protect their supplies of critical staples, American entrepreneurs invested in lumber, mining and transportation enterprises in Canada. To complete this sketch of the transatlantic triangle, labour exchanges between member countries will be considered.

Generally speaking, sharing a long, unprotected border with a nascent industrial power did not lend itself to the attraction of immigrants. This was never more true than for the late 1800s in Canada. Just as Canada served as a transhipment point for goods destined for the British markets, Canada functioned as something of an entrepôt for American immigrants from Europe wishing to work in the great industrial centres of the Northeastern United States or homestead the American West. For example, Brebner (1945: 129) describes the movement of Irish immigrants who would land in New Brunswick aboard homebound timber ships that discharged their cargo in Europe. Finding only temporary employment, these Old World immigrants would book passage on American coastal ships in New Brunswick which were delivering supplies for the lumbermen and leading gypsum bound for the American West. Spelt (1972) estimates that about 60 per cent of immigrants
arriving in Canada between 1827 and 1837 crossed over to the United States. During the years 1861 to 1870, 72 per cent of all British emigrants settled in the United States (Thomas, 1954:55).

Out-migration was such a problem that it was one of the main reasons for the erection of the series of Canadian tariff barriers known as the National Policy (1878). J.A. Macdonald announced as much in the House of Commons when he said:

... the welfare of Canada requires the adoption of a national policy, which, by judicious readjustment of the Tariff, will benefit ... the Dominion; that such a policy will retain thousands of our fellow countrymen now obliged to expatriate themselves in search of employment denied at home (in Clement, 1978:51).

The Canadian net out-migration trend reversed itself in the early 1900s as settlement of the American West reached its saturation point. Brehner (1945: 225) writes that, during the early part of this century, 1 million Americans settled in the Canadian Prairies, while 250 thousand Canadians moved southward to work in the American industrial Northeast. This population boom in the Prairies was augmented by the presence of agricultural workers from the Eastern European peasantry (Avery, 1983). According to Brehner, between the census of 1901 and 1911, the Canadian population grew by 34 percent, a rate faster than that of the United States.

Canada, however, experienced a population shift which was indicative of its position in the regional economic triumvirate. In the early part of this century, Canada began to experience a 'brain drain' where, according to the American census of 1910, Canadian
immigrants were over represented in the professions and in the "upper ranks of labour" as well as in the service sector (Brebner, 1945: 228). This fact would indicate that the Canadian economy, with its under-developed manufacturing sector, was unable to absorb its skilled manpower into the domestic labour force. The demand for service workers in the United States indicates its relative affluence and the advanced stage of its economy compared to that of Canada.

We see that the United Kingdom, Canada and the United States were integrated parts of a regional economy, with the nature of capital and labour flows determined by their respective positions in that triangle. Passaris (1984) notes that at each stage of Canadian economic development, certain types of immigrants have been encouraged to fulfil labour force requirements. During the period where Canada was building up a national infrastructure to accommodate its role as staple provider, Italian and Chinese immigrants were encouraged to come as temporary labourers to work in the mines, canals and railways, although Chinese were discouraged from settling permanently. During the period of territorial expansion that occurred in the late 1800s and early twentieth century, the demand was for agriculturalists and agricultural workers of the 'sheepskin-stalwart-peasant' variety. The characteristics of Canadian immigrants as pointed out in the 1910 census of the United States also points to capital and labour exchanges determined by relative position in the regional economy.

To conclude this part, one can see the broad outline of the regional economy of which Canada was a part. The United States became, by the end of the 19th century, the
great manufacturing centre and as such, very much determined the roles of the two other minor partners in the 'North Atlantic Triangle'. Canada was pushed early in the last century to the role of staple provider, while the dwindling fortunes of Empire and the economic ascendancy of the United States forced Britain into the role of financier to the great American industrial machine by the middle of the 1800s.

2.1 Dependent Industrialization and the Transcontinental Trading Bloc

In the previous chapter it was shown how the status of nations in the global economy changes from time to time. This section will show how the American economy came to dominate the Canadian economy. However, despite this dominance, the Canadian economy did experience a degree of economic development. The following sections will show how the growing development of the Canadian economy affected the intercontinental migration of skilled immigrants.

As was mentioned before, one of the unintended consequences of the National Policy was an industrialization dependent on foreign manufacturers. The technology used to power Canadian industrialization was bought under license from the United States. Williams (1980: 25-64) describes the extent of this technological dependence. Between 1900 and 1913, the key years in National Policy expansion, nearly three-fifths of the total capital investment in plants were imported. Thus, Canada was in a very poor position to take advantage of the potential for industrial expansion offered by the two World Wars. The size of the 'home market' was also a detrimental factor in the implementation of a
program of economic development. The fact that the Canadian market was only a fraction of the American market meant that Canadian manufacturers could not count on economies of scale (see Figure 15). American exporters would then have the advantage because the larger population in the United States enabled them to extend their production runs longer than Canadian manufacturers, and thus would be able to produce cheaper goods.\textsuperscript{42}

The relative weakness of the manufacturing sector in Canada can be seen in the early pattern of American foreign investment.\textsuperscript{44} The period after WWII marked the beginning of a great influx of United States investment in Canada. At first, United States investment was directed towards the resource sector. Gradually however, United States foreign investment began to permeate all sectors of the Canadian economy, so that by 1970 U.S. control of Canadian manufacturing industries reached 47 per cent (Clement, 1977:91). Remitted profits from foreign American branch plants did not make for a strong economic foundation to embark on an import substitution model. Kari Levitt showed that in the period 1960-67, remitted profits by American subsidiaries in Canada ($5.9 billion) exceeded capital inflows ($4.1 billion) by $1.8 billion. (Clement, 1977:89). Investment in Canada became so lucrative that foreign subsidiaries could expand in Canada while still being able to remit profits to the parent company. Furthermore, according to Clement (1977:90), in the periods 1956 to 1958 and 1959 to 1961, when intense capital formation occurred, Canada's net use of foreign resources amounted to between one third and two fifths of net capital formation.
The great control United States capital has over the Canadian economy has prompted Clement (1977:85-90) to assert that Canada has become an extension of the U.S. economy. In 1970, the United States had trade worth $8,810 million with Canada while Canada's trade to the United States was $10,920 million. The percentage share of Canadian trade by the United States has never fallen below one-half. However, despite the disadvantageous position of the Canadian economy vis-a-vis the American economy, a certain degree of development has occurred. In the next six years after 1961, the relative use of foreign resources was almost halved to one fifth. The relative use of foreign resources fell to 12 per cent in the period 1968 to 1970 (Clement, 1977:90). The decline in the share of U.S. foreign investment would continue into the 80s, although the manufacturing sector now leads the resource industry as a main target for U.S. capital (see Figure 16).

2.2 The 'Maturation' Of Canadian Capital

Clement (1977: 139) writes that during the advance stage of capitalism (i.e. monopoly capitalism), large economic units tend to grow larger and fewer economic units control more of the market. The fact that corporate concentration had occurred earlier in the United States than in Canada, or put another way: that Canada remained a rural society longer than the United States, is cited as a key factor in the ability of American manufacturers to penetrate the Canadian market. By the 1960's, Canada began to experience a measure of concentration of capital similar to that found in the United States. A significant finding is that Canadian manufacturing capital is actually more concentrated than American capital (Consumer and Corporate Affairs, 1971:47). The
concentration levels of Canadian manufacturing indicates that, assuming the performance of the Canadian manufacturing sector can be generalized to the larger economy, Canadian capital has achieved a degree of concentration which allows it to internationalize. Dickey (1985: 112-120) describes Canadian foreign investment. In the ten years between 1968 and 1977 the stock of Canadian long term investment almost tripled. In 1978 Canadian direct investment amounted to $16.3 million in comparison to 1983 where the amount totalled $30 million, with half of it going to the United States. The favoured place for Canadian direct investment remains its neighbour to the south, although developing countries received approximately a quarter of Canadian investment in the 1970's. Moreover, Dickey points out that the rise in the levels of Canadian direct investment was not due to Canadian subsidiaries of foreign capital, but to indigenous, Canadian capital. While Canadian foreign investment is not new, what is significant is the level of Canadian direct investment from the manufacturing sector.47 Between 1965 and 1975, the manufacturing sector accounted for half of Canadian foreign investment48 (Dickey, 1987:113, see also Figure 17).

In the section that dealt with the position of Canada within the transatlantic triangle, it was established that the United Kingdom, Canada and the United States were integrated parts of a regional economy, with the nature of capital and labour flows determined by their respective positions in that triangle.49 Extending this type of analysis into the postwar period, the previous section has outlined the type and direction of capital and commodity flows since World War II taking into account Canada's position in the transcontinental trading bloc. It would remain then to characterize postwar immigration in relation to Canada's position in the global economy.
2.3 Canadian Immigration in the Context of the Transcontinental Trading Bloc

This section will show how Canada's changing position in the transcontinental trading bloc is reflected in the intercontinental (i.e. North American) migration trends. Boyd (1976) argues that differences in the economies of the United States and Canada account for the fact that Canadian immigration policy is geared more towards fulfilling labour and manpower requirements as compared to the United States. More specifically, it is the inability of Canada to produce indigenous, skilled manpower which is responsible for the influx of skilled immigrants in the late sixties and early seventies. It can be argued that, in general, Canadian immigration policy is fashioned in ways which promotes Canadian economic development.

The influence of the United States with respect to Canadian population movements was still very evident during the postwar period. Rawlyk (1962) describes the extent of the 'brain drain' from 1945 to 1958 as an outflow of 425,000 Canadian citizens made their way to the United States, joined by 40,000 returning citizens of the United States, while 121,276 Americans crossed the border to settle permanently in Canada. Parai (1967) noted the same trend, he adds that while the proportion of skilled manpower emigrating from Canada to the United States has increased since 1950, the increase has not continued since 1957. However, the absolute number of skilled emigrants going south has increased. Moreover, he also notes that the inflow of skilled immigrants to Canada has exceeded the outflow to the United States, thus resulting in a net gain of skilled manpower in Canada.
The preceding sections established the direct influence of Canada's position in the Transcontinental Trading bloc on intercontinental migration flows. The discussion of Canada within this bloc can be seen as the background against which the occupational character of immigrants and immigration levels can be discussed. This is because, as will be recalled, the influence of Canada's position in its regional economy on the occupational characteristics of immigrants and the level of immigration is an indirect one. Two factors intervene which determine the occupational character of immigrants and immigration levels. These factors are: the the Canadian labour market and immigration policy. In addition, the short-term cycle of the Canadian economy must be taken into account when explaining immigration levels. The following sections will show that the postwar period in Canada can be divided into several sub-periods according to fluctuations in the business cycle. It will be shown that within these sub-periods, the occupational structure of the Canadian labour market changed according to the development of the Canadian economy. Moreover, given a specific period in the business cycle, the changes in the Canadian labour market, found reflection in the occupational characteristics of immigrants.

3.0 Immigration Policy in Canada

While the official policy of the Canadian government for the fifty seven years between the Immigration Act of 1910 and that of the regulations of 1967 was that of whites only, its racist intent was not without moments of economic pragmatism. Despite the avowed anti-Chinese position of the MacDonald government, the exigencies of nation
building forced the Canadian government of the day to actually support the immigration of Chinese to work on the railways, in the face of heated opposition (Li, 1979:325). During the Canadian expansion Westward, agriculturalists were encouraged to immigrate, while shop keepers and other urban dwellers were not. It was found however, that the most preferred of all immigrants, the British yeomanry, were unwilling to settle in Canada. Despite attempts to recruit British agricultural immigrants, the circumstances in Britain were not conducive to the immigration of agricultural labour to Canada since agricultural wages and work conditions were often better than in Canada (Avery, 1983:22). Thus the minister in charge of immigration, Clifford Sifton, cast the immigration net farther than the British Isles, and was forced to accept immigrants from Eastern Europe. It is apparent from the early examples of immigration policy above that despite other considerations (such as a White Canada), immigration policy is circumscribed by the development of the Canadian economy not only in terms of fulfilling labour force requirements, but as a factor in population growth. Therefore, an analysis of contemporary (ie. post WWII) Canadian immigration policy must be analyzed within the context of economic development in Canada.

The aims of Canada's postwar immigration policy was set out in May 1947 by the Prime Minister, Mackenzie King. Corbett (1957: 3) has described the position on immigration set out by King in his speech to the House of Commons as one of those compromises for which he was famous: he advocated population growth through immigration but not to a point where the immigrants could not be advantageously
'absorbed'; he insisted that immigration to Canada was a privilege and not a right, yet acknowledged an obligation to help those in distress:

The policy of the government is to foster growth of the population by the encouragement of immigration. The government will seek ... to ensure the careful selection ... of such numbers of immigrants as can advantageously be absorbed in our national economy... Among other considerations (immigration policy) ... should take account of the urgent problem of the resettlement of persons who are displaced and homeless ... It is not a 'fundamental human right' of any alien to enter Canada. It is a privilege (Corbett, 1957:3).

It is the interpretation of these guidelines as set out by Mackenzie King which is of interest. For example, given that Mackenzie King had to consider the anti-Asian sentiment which was prevalent at the time, Asians and Africans were not accorded the 'privilege' of immigrating to Canada. In addition, while most non-Asian (ie. European) immigrants could sponsor a wide range of relations for immigration to Canada, Canadians of East Indian, Japanese or Chinese descent were only allowed to sponsor members of the immediate family. Thus the concept of 'absorptive capacity' was not only defined in economic terms, but in racial /discriminatory terms as well (see Passaris, 1980). Canadian economic policy developed into a rational tool that serves the development of the Canadian economy. This can be seen in the direction of immigration policy since WWII, which advocates stricter control of immigration based on the Canadian demographic and labour market needs.

3.1 The Global Boom Period: 1945-1950

The early postwar period was marked by an economic boom internationally, mostly spurred on by world-wide reconstruction. The economy was also prospering as war time
restraints began to ease. Gross National Expenditure (GNE) moved from negative growth to over seven per cent, a phenomenal nine point increase (see Figure 18). Canada's labour market was stretched to the limit; after 1940 there was never less than 96 per cent of the labour market unemployed and in 1944, the figure was 98 per cent. Bottlenecks and manpower shortages were the main problems.

The occupational distribution of immigrants roughly corresponded to the occupational distribution of the Canadian labour market. The changing industrial structure of the Canadian economy can be seen in the fact that Canadian immigrants were under-represented in the agricultural occupations, while 19.8 per cent of the general Canadian population were in agricultural occupations, only 14.9 per cent of immigrants intended to work in agricultural occupations. Immigrants are over-represented in the manufacturing and construction occupations as 26.6 per cent intended to work in those occupations, while only 21.6 per cent of the general population were employed in manufacturing or construction (see Figure 19).

The dominance of the resource sector in the development of the Canadian economy can still be seen in the Orders-in-Council passed in 1947 which governed the classes admissible to Canada. Reflecting the economic conditions of the period, the sponsored category of immigrants (ie. those who were allowed to immigrate by virtue of their relation to a permanent resident in Canada) was defined very broadly and no quotas were placed on their admission. Apart from the immediate family and close relatives of any permanent resident in Canada, those to be admitted were 'open placement' or independent
(ie. those not sponsored by a relative in Canada). Migrants from broadly defined occupational categories: agriculturalists intending to farm and have sufficient means to do so; agriculturalists intending to farm in Canada who are sponsored by an immediate relative; farm labourers or any person experienced in mining or lumbering with prearranged employment. According to Rawlyk (1962:290-291), these admissible categories were the result of the pressure from farmers and owners of lumber and mining concerns who were in desperate need of labourers.

The Canadian economy however, was undergoing some changes which indicated a move away from the resource based economy of previous years (Corbett, 1957:59-60). The post-war period marked Canada's industrialization and new factories began to grow around cities. Urban population increased by 25 per cent between 1941 and 1951, twice the percentage of the preceding ten years. The expansionist nature of immigration policy during this period (albeit tinged with a trace of racism) can be seen in the Orders-in-Council of 1949 describing the admissible classes for immigration. In contrast to the admissible classes of 1947, no occupational restrictions were specified for a 'most-favoured group' class which included citizens from the White Commonwealth (Australia, New Zealand, South Africa) the United States and France. Prospective immigrants from these countries only had to prove to the immigration officer that they were in good physical health and did not have a criminal record. If one were not fortunate enough to be in the most favoured group, the order made provisions for an admissible class of 'agriculturalists', miners or lumbermen with arranged employment from 'non-Asiatic' countries (Rawlyk, 1962:291). As a consequence of the policy direction of the King government and the boom economy, Canadian
immigration doubled during the first decade of the post-war period. In 1946, the number of immigrants that were admitted came to 72,000. By 1954 this figure rose to 154,000 (Corbett, 1957: 167) This trend would continue until the mid 1950's when Canada admitted 299,000 immigrants in 1955 (Hawkins, 1972:36) The Immigration Index in Figure 18 shows that the level of immigration in 1948 was ten times that of 1944.53

3.2 The Bust Cycle: 1950-1961

Given the period of unprecedented expansion in the early part of the post-war period, it was inevitable that the Canadian economy would show signs of a slowdown. The 1950s marked a transition from the boom period of the early years to an economic downturn. This period was characterized by the Economic Council of Canada as one marked by relatively high unemployment, slow gains in productivity and total output, a relatively high degree of price and cost stability, and a loss of strength in the balance of payments (Hawkins, 1972:120, see also Figure 20). As a result of the slow economic times, there was little growth in immigration. In 1961, the level of immigration was approximately the same as in 1949 (see Figure 20).

The immigrants destined for the agricultural and primary sectors continued to decline compared to the previous period and more immigrants were destined for non-agricultural occupations compared to the general population, 17 per cent of the general population were employed in agriculture. In contradistinction, only 11 per cent of immigrants intended to enter agricultural or primary occupations. The growth of the
manufacturing sector is reflected in the occupational distribution of immigrants as 35 per cent intended to be employed in the manufacturing, construction or mechanical jobs. Immigrants in the service and professional\managerial occupations were the second largest occupational categories among the immigrant population. Thirty-four percent of all immigrants intended to seek employment in either the professional (16 per cent) or service sector (18 per cent, see Figure 21).

It was during this period of economic downturn that a new Immigration Act (the first since 1910) was introduced in 1952. As in the Orders-in-Council of 1949, the admissible classes were determined by country of citizenship, effectively barring all but token Asian immigration. However, in contrast to the earlier Orders-in-Council according to which a member of the favoured group category was virtually assured of being granted admission, the Immigration Act of 1952 stipulated that an immigrant must prove he would not be an economic burden. For the most favoured class of immigrants, one would have to prove that he had 'sufficient means to maintain himself'. For the second class of preferred immigrants (essentially those from Western or southern European countries) one had to submit to a placement by the new Department of Immigration in a business trade or profession in agriculture. The only method by which immigrants from other non-Asian countries could enter Canada was through the sponsorship of dependents.

The economic development (ie. the growth of the manufacturing sector) of Canada and the consequence for its labour force (ie. the need for skilled immigrants to fill occupations in the manufacturing sector) and therefore, its immigration policy can be seen
in the report of the Special Committee of the Senate on Manpower and Employment in 1961 (Hawkins, 1972:139 and St. John-Jones, 1981:59). While the economy was able to generate many jobs, thus bringing down the unemployment rate, these jobs were in certain sectors. The first problem that Canada faced was a surplus of unskilled labour and a scarcity of skilled persons such as nurses, teachers, doctors, medical laboratory technicians and skilled industrial workers (Passaris, 1980:298). While jobs were created in the skilled occupations (such as in the manufacturing industry), there was a loss of jobs in the less skilled occupational categories. The Committee expressed great concern, due to the declining number of unskilled and semiskilled occupations, for the national unemployment rate among the unskilled and semiskilled, which would make them an economic burden to the state. In light of this, it was recommended that more resources be allocated to the education and training of the Canadian population.

The new economic situation produced a set of regulatory and administrative changes concerning immigration reflecting the economic circumstances, the most important of which affected the sponsored class of immigrants. As was mentioned before, the definition of a relative eligible to be sponsored was fairly broad, but also very complex. Those residents of Canada from non-Asiatic countries (i.e. Europe, Egypt, Israel, Lebanon, Turkey, or any country of North, South or Central America) could sponsor a wider range of relatives. These included: husband, wife, son, daughter, brother, sister, as well as the husband or wife and the unmarried children under twenty-one years of age of any such son, daughter, brother or sister, or as the case may be, the father, mother, grandparent, unmarried orphan nephew or niece under twenty-one years of age, fiancé or fiancée of a legal resident of
The present state of the Canadian economy made necessary the restrictions brought on the sponsored class. On 19 March 1959 citing, mounting backlogs in immigration offices in Europe, the Diefenbaker government passed an order in council restricting the admission of relatives to the immediate family (Hawkins, 1972:52).

The restriction of the sponsored class can be seen in the emergence of a new direction in immigration policy development where Canadian manpower needs would be more closely tied to immigration. Sponsored immigrants were less welcome than the independent immigrants because independent immigrants possessed the occupational skills needed in the developing Canadian economy, because they were generally less skilled the independent applicants. The response of the immigration 'establishment' to the sponsored category can be seen in the discussion by Hawkins, whose views are generally representative of official immigration policy. She expresses disappointment at the lack of political will needed to restrict a wave of sponsored immigrants which was "unselected, autonomous, exceedingly difficult to control or adjust to changing economic requirements, and not integrated within the total immigration program" (Hawkins, 1972: 51). Hawkins' special concern for the sponsored group was based on the fact that the sponsored group possessed labour market characteristics which were becoming increasingly obsolete, due to the gradual development of the Canadian economy from one which was resource-driven to one which was based on the growth of the manufacturing sector. The question of the sponsored movement would persist well past this period. It is in the 1960's that the previously mentioned ethos would be integrated into a systematically defined immigration policy. Thus, immigration policy development would enter a new era, that of Immigration
Management, where immigration policy would be rationalized and linked with the more general goals of Canadian political/economic development.58

3.3 Immigration Management in a Boom Period: 1961-1973

The foundations of the new era of immigration policy were laid amidst the longest peacetime expansion of the Canadian economy. The growth in GNE increased to over seven percent, while the Consumer Price Index (CPI) rose only gradually and unemployment declined through the first years of this period. As a result, in 1967 (the year of lowest employment), immigration was twice that of 1960 (see Figure 22). The international economy was in a period of growth (see Figures 23 and 24).

Economic prosperity helped increase the proportion of highly skilled immigrants destined for professional/managerial occupations compared to the previous period (see Figures 21 and 25). In the previous period between 1956-61, 16 per cent of all immigrants intended to be in a professional or managerial occupation. This is in contrast to the 1962-67 where 26 per cent of all immigrants intended to enter as professional/managerial position. Immigrants in the manufacturing and construction occupations continued to be over-represented in these jobs compared to the general population. More than a third of immigrants intended to be employed in the manufacturing or construction jobs while half of the general population were in these occupations. Reflecting the further development of the Canadian economy, the proportion of immigrants in the clerical, sales or service sectors grew apace with that of the general population in 1962-67.
Hawkins (1972) has characterized early postwar immigration policies as a 'tap on, tap off' approach to immigration. The growth in the Canadian economy made more urgent the necessity of fulfilling Canadian labour force requirements. The first signs of an immigration policy which used labour force or human capital characteristics (i.e., education, occupational skill) as criteria for entry into Canada can be found in the Immigration Regulations of 1962. Hawkins (1972: 125-126) outlines the important aspects of the new regulations. The racist/discriminatory nature of Canadian immigration policy was removed. Independent applicants were admitted on the basis of education, training, skills or other special qualifications.

The place of immigration in Canadian economic development is demonstrated in the White Paper of 1966. The White paper favoured according to Passaris (1980:299), an open (or expansionist) immigration policy stressing the gains from enhanced immigration vis-à-vis population growth, expansion of the domestic market, lower per capita costs of government and services and cultural enrichment. At the same time, the concept of absorptive capacity' was redefined. Recall that in the speech made by Mackenzie King to Parliament, 'absorptive capacity' was defined in racial/discriminatory terms. By the time of the White Paper 'absorptive capacity' took on a qualitative dimension which encouraged the acceptance of immigrants with a high level of skill and capabilities. The sentiments expressed in the White Paper were echoed by the Special Joint Committee on Immigration, which was created to study the recommendations of the White Paper. With such an
emphasis on the skill level of immigrants, it was inevitable that the issue of the sponsored class would again be brought to the fore.

The deliberations of the Joint Committee resulted in the new Immigration Regulations of 1967. The Regulations further refined the method of immigrant selection by the development of a 'points' system, or a series of weighted selection factors which determined the admissibility of a prospective immigrant. While sponsored relatives were admitted under relaxed criteria, more control over the sponsored stream was possible with the new regulations. The definition of a dependent, sponsored immigrants (later to be known as the family class) who were exempt from all selection criteria was narrowed to include only close dependent relatives. The changes to the sponsored category essentially discouraged the immigration of families other than the immediate family of the sponsor. Thus, for example, only unmarried children and, brothers and sisters who are under eighteen years of age of the sponsor could be considered family class. The rest of the relatives formerly defined as sponsored were classified in a nominated category, and were subject to the most of the same skills, education and occupational demand criteria as the independent class. However, the nominated class of applicants (ie. non-dependent relatives sponsored by a Canadian permanent resident or citizen) were allowed a maximum bonus of more than half of the pass mark, depending on the applicants relation to the sponsor. Thus, nominated immigrants were admitted under relaxed criteria. However, what the government conceded to the sponsored stream (in the form of relaxed admission criteria for nominated relatives) on the one hand, it took away with the other, by narrowing
the definition of those dependent relatives completely exempt from selection criteria (i.e. the family class).

For the most part, the points system was a series of numerical weights which corresponded to human capital characteristics of the individual as well as to the contemporary labour force conditions existing in Canada. An independent immigrant needed half of the 100 possible points to pass. A fifth of the points were assessed on the basis of the independent immigrant’s training and skill. The second most important group of points were those allotted for the demand for the occupation in Canada and the demand for the immigrant’s occupation in certain regions of Canada. Moreover, Passaris (1980: 299) notes that occupational demand is calculated by means of a constant monitoring of the Canadian labour market with a view to determine the existing and anticipated shortages of manpower requirements for particular occupational groups. Immigration officers are provided with more frequent interim amendments if necessary.

However, despite the weighting of factors heavily in favour of human capital characteristics, the guiding philosophy of the selection criteria at this time was that no one factor would determine the admission of an applicant. Thus, immigration officers were given a considerable degree of latitude with respect to the admission of an applicant. The officer could assess up to a maximum one tenth of the pass mark (i.e. 10 points) for a subjective assessment of the applicant’s ability to succeed in Canada.
In the five years after the Immigration Regulations of 1967 with its emphasis on accepting skilled immigrants, the proportion of immigrants intending to enter professional or managerial occupations exceeded the proportion of professional/managerial occupations in the Canadian labour force. While more than a third of immigrants intended to practice a profession or be employed in a managerial position, only one-fifth of the general population were in these occupations. Immigrants were also over-represented in the manufacturing occupations compared to the general population, as a third of all immigrants expected to be employed in the manufacturing sector compared to 25 per cent of the general population who were in production and crafts occupations. The proportion of immigrants in the agricultural sector (4 per cent) was half that of the general population (see Figure 26).

To conclude, the general tone of immigration policy in this period was of an expansionist nature. This expansionism was an easy one to advocate in booming economic times, and was, to some extent the very product of that economic prosperity. However, signs of a downturn began to be felt after 1968 as the CPI and the unemployment rate began to rise and the reaction of immigration policy makers was predictable.

3.4 Crisis in the Global Economy: 1974-1980

The worldwide economic boom ended with the Oil Crisis in 1974, when GDP and industrial production plummeted from the previous economic boom (see Figures 23 and 24). As in all developing countries, the global crisis adversely affected the Canadian
economy. The economy would enter a period of crisis never before encountered. Wolfe (1984) describes a phenomenon of the new global order 'stagflation': the existence of high unemployment coupled with inflation. Excepting a brief recovery period around 1975, this situation persists in the Canadian economy to this day. As a result the immigration levels for the years 1974 to 1985 were about the same as the level for 1973 (see Figure 27).

Immigrants continued to be over-represented in the professional/managerial occupations as 32 per cent intended to be employed in the managerial or professional occupations. However, immigrants were equally well-represented in the manufacturing, construction occupations as well, with an equal amount of immigrants destined for those occupations as in the managerial/professional categories. Immigrants were also over-represented in the manufacturing and construction trades compared to the general population. The continued growth of the tertiary sector and a sign of the development of the Canadian economy can be seen in the number of Canadians employed in the clerical, sales and service occupations, fully 40 per cent of were employed in these occupations. Immigrants were slightly under-represented in these occupations with a little more than a third intending to be employed in these occupations (see Figure 28).

The new economic climate and its effect on immigration policy can be seen in the revised Immigration Regulations of 1974 which contain the revised point system (Hawkins, 1988:77). The new selection criteria have the basic structure of the old. Revisions in the points system reflected an effort to tailor immigration closer to labour market needs. The most significant change was the introduction of the term 'designated occupation' which
provides points according to the demand in the labour market for the immigrant's occupation. An automatic processing bar is imposed if the person did not gain at least one point for the Occupational demand factor or ten points for either having a designated occupation or prearranged employment. What is most significant about the processing bar is that it is a departure from an original principal that no one selection factor should be conclusive. It is important to note that the conclusive factors are those related to the labour market. Ten units would be deducted if an independent or nominated immigrant had no prearranged employment or was not from a designated occupation. An innovation of the new immigration regulations, which reflects the economic times, is the so-called 'Canadians First' provisions whereby immigration officers may not issue an employment authorization (including those for independent or nominated applicants wishing to prove prearranged employment) unless they have considered whether the prospective employer has made reasonable efforts to hire or train Canadian citizens or permanent residents for the job (Employment and Immigration, 1985:14-16).

The first major policy document on immigration in this period was the Green Paper of 1974. It outlined what was to become the major principles of Canadian immigration policy. These were: non-discrimination; the importance of family reunion; compassionate considerations relating to refugees and others, and an immigration policy in close harmony in areas of economic and social policy (Hawkins, 1988:54). St. John-Jones (1981:78) writes that, the main consideration of the Green Paper was the one which was the principal theme of immigration policy for many years, anticipating the demand for immigrant workers in the Canadian economy. Reflecting the new economic order, the Green Paper cited
reasons connected with the labour market which questions the wisdom of an expansionist policy. The recommendations of both the Green Paper and the Joint Committee were embodied in the Immigration Act of 1976 (see Hawkins, 1988:70-75). For the first time, the principles that governed immigration to Canada were explicitly stated in legislation. The Act defined the classes of immigrants admitted to Canada: a family class which included the immediate family and dependent children, and parents or grandparents over 60 (or under 60 if widowed or incapable of gainful employment, or parents of any age if sponsored by a Canadian citizen); refugees including Geneva Convention refugees or a special designated class of refugees; other applicants selected on the basis of the points system, including independent applicants and what are now called assisted relatives (i.e., more distant relatives sponsored by a family member in Canada). The Act also codified and improved existing procedures for defining refugee status and created a Refugee Advisory Committee.

The new Immigration Regulations of 1978 refined the immigration evaluation system further and introduced new procedures which regulated more stringently the occupational character as well as the total flow of immigrants. The regulation put more weight on skill-oriented rather than general-attribute factors. The focus was on applicants with arranged employment or those who could be directed to designated occupations. Fewer units were then assigned to education and more units were assigned for Specific Vocational preparation or for professional apprenticeship training (Employment and Immigration,
1985:18-19). Those in the 'assisted' category were awarded between 15 and 30 bonus units, depending on the relationship to the guarantor of the assisted applicant.

Probably the most important aspect in immigration policy during this period is the Annual Report to Parliament on Immigration Levels (presently called 'Future Immigration Levels') required under section 109 of the Immigration Act of 1976. The Annual Report is a document presented by the Department of Employment and Immigration to Parliament on the projected number of immigrants to be admitted based on consultations with other branches of government and interested non-governmental organizations. In the Letter from the Minister that introduces the 1988 Annual Report, the proposed immigration level is based on 'regional demographic needs and labour market considerations' as well as Canada's 'economic and social needs, and its humanitarian tradition'. To conclude this section, one can see the tighter controls over both the flow and nature of immigration to Canada in the projection of future immigration levels. The expansionist tone of immigration policy present in the late sixties and early seventies had given way to procedures which not only strictly defined the flow of immigration but integrated immigration policy within a broader demographic/economic blueprint for Canadian development.

3.5 From Deepening Crisis to Moderate Recovery: 1981 - Present

Although there were moderate gains in economic growth in 1976, it was short lived, and 1977 saw a return to a more sluggish growth rate, followed by a modest improvement
in 1978 (Employment and Immigration, 1980:8, see also Figure 27). The economic slump would grow worse from 1982 to 1984, a double digit unemployment rate was predicted for 1982 and 1983 in the Annual Report to Parliament on Immigration Levels, 1980 and it proved prophetic. A processing bar was introduced in May of 1982 for all workers without prearranged employment. As a result of the processing bar on selected workers 121,147 were admitted, compared to a projected level of immigration for the year of 130,000 to 135,000 (Employment and Immigration, 1988:37). In 1974, the first year of the 'Canadians First' approach, Canada accepted more than 60,000 selected workers; in 1984, Canada accepted 6,500 (Employment and Immigration, 1985:7). The need for skilled workers in this period is reflected in the occupational distribution of the immigrant group. Professional and managerial immigrants now make up a significant proportion of immigrants at 34 per cent. The growth of the service sector, i.e. the clerical, sales and service occupations continues to grow for both the immigrant group and the general population. It would suggest that for the immigrant group the growth in the proportion of immigrants intending to work in the service sector is at the expense of the manufacturing and construction sectors (see Figure 29).

In previous books cited in this thesis, Hawkins (1971, 1988) mentions the 'uncontrolled' immigration of sponsored immigrants as the primary problem in immigration planning and management during the 1950's through the early 1960's. The direction of immigration policy towards the sponsored category can be seen in the Report to Parliament on the Review of Future Directions for Immigration Levels, 1985 which cited the current 'imbalance' among the three immigration streams: family, humanitarian (known as the
'social' stream) economic, with the economic stream making up less and less of the total.
The report recommends that increases in immigration, due to a slight brightening of the
economic horizon, over the next two to three years should re-establish the balance between
the three streams, which meant an increase in the economic stream.

The immigration regulations of 1985 reflect the latest attempts at further controlling
the sponsored category in an effort to reduce the social stream. In the new regulations the
5 point bonus that independent applicants received for relatives in Canada was eliminated.
The automatic processing bar for applicants not in a designated occupation was maintained,
although the 10 point penalty for no prearranged employment was eliminated. The
Designated Location factor was dropped because it did not prove useful in determining the
area of settlement for the immigrant. A new factor was introduced which attempted, in
some small way, to control the general volume of the immigration flow in accordance with
the levels projected by the Annual report to Parliament on Future Immigration Levels: the
Levels Control. The Levels Control factor is awarded on a sliding scale (0 to 10)
depending on projections made of total immigrant landings for that year97 (Employment
and Immigration, 1985: 1-8).

4.0 Contemporary Immigration Policy: An Overview

In the Immigration Act of 1976 the principles that would govern Canadian
immigration policy were explicitly stated. These included: family reunification; concern for
refugees and the promotion of Canada's demographic, economic, social and cultural goals.
An historical analysis of post-war Canadian immigration policy would indicate that the family reunification and humanitarian principles of immigration policy have been subordinated to economic and demographic goals.

The subordination of social and humanitarian principles to economic/demographic imperatives can be seen in the differences in the treatment between the family and refugee applicants and the entrepreneurial class. Since the immigration regulations of 1967, entrepreneurs have been recognized as an admissible class. Unlike selected workers, who have to fulfil occupational demand and arranged employment criteria, entrepreneurs are exempt. It was not until 1978 however, with the institution of the Immigrant Entrepreneur Program that emphasis was placed on recruiting these types of immigrants. An entrepreneur would be given permanent residency status if s/he can prove his/her net worth to be $500,000, intends to make a substantial business investment in Canada and has a proven track record in business. However, as Malarek (1987) points out, no effort is made to determine whether or not the entrepreneur has in fact abided by the conditions of his/her admission. With respect to the differential treatment that immigrant entrepreneurs receive viz. family class immigrants, Malarek (1987:218) points out that of thirteen immigration officers working in the Hong Kong visa office, five are assigned solely to handle entrepreneur visa applications. While it takes ten times as much paperwork to process an entrepreneur applicant, the mean processing time for a family class applicant is 30 days more than an entrepreneur (Malarek, 1987:255).
Despite being formally exempt from immigration selection criteria, the *family* class of immigrants, there have been attempts at regulating their admission. Traditionally, close dependents of immigrants were exempt from a quota or ceiling. However, the Immigration Act of 1976 required projections of future immigration levels *including those for the family class*. The Department of Employment and Immigration takes great pains in pointing out that the family class annual projections are not quotas or ceilings but used only for planning purposes (see Employment and Immigration, 1985b: 10). However, the projected level for 1986 seems to be quite close to the actual intake of *family* class members for that year. The projected level for the *family* class level was 45 000, while the actual number of landings of the *family* class in 1986, according to *Immigration Statistics* (Employment and Immigration, 1986: 48) was 42 197. Moreover, as can be expected, immigration data show that the proportion of *family* class members relative to other classes of immigrants during periods of economic prosperity. Thus, *family* class members were only a fifth to a quarter of all immigrants in the economically prosperous period between 1968 and 1974. During the economic slump starting in 1974, the proportion of *family* class members in the immigrant flow reached 53 per cent in 1978 (see Figure 30).

An analysis of changes in the immigration selection regulations also supports the contention that immigration policy is, in the last instance, determined by economic/demographic factors (see Employment and Immigration, 1985 see also Table 31). An example of the increasing bias of the selection criteria towards labour market and other economic factors is the weighting of the education versus specific skills factors. Since 1978 the education factor has been reduced from a high of 20 points to that of 12, while the
occupational skill/specific vocational training factor has been increased to 15 from 10. An Occupational Experience factor has been added as well. In addition, other factors, such as the Levels Control factor and the Demographic factor, were included which attempted to more stringently plan immigration levels. The Levels Control factor was supposed to control the volume of immigration in accordance with those announced in the Annual Report to Parliament. The previous Levels Control factor seems to have been renamed the Demographic factor for the new regulations of 1988.

With respect to the sponsored group, the trend has been to subject nominated relatives to assessment factors from which they were previously exempt. In the 1967 regulations, nominated relatives were not subject to any of the short term settlement factors: knowledge of the two official languages; area of settlement; arranged employment, etc... By October of 1974 nominated relatives were not only subject to a processing bar, but were also subject to a ten point deduction unless the applicant was awarded points for arranged employment or designated occupation even though the nominated applicant could not earn any points from these factors. A further ten points could be deducted if the location that the applicant intended to settle in was designated as not in need of the particular applicant's occupation. Again, the nominated applicant could not earn any points for location, although points could be deducted. The above mentioned anomaly, was corrected in 1985 when both nominated and independent applicants could claim points for arranged employment. The location factor was dropped from the 1985 regulations. In general however, kinship factors have increasingly been given less weight. In the present Regulations of 1988, the nominated class are subject to exactly the same criteria as the
independent class. However, nominated relatives do receive bonus points, but the maximum is half that of the bonus in 1967. In 1978, when the pass mark was 50, the bonus point range for nominated applicants for relatives in Canada was such that the nominated applicant could pass with as little as 20 points (or 40 percent of the pass mark) taken from other factors. By 1985 the bonus for a nominated relative was a flat ten points and had to be accompanied with an undertaking of assistance by the nominating relative, the pass mark was also raised to 70. This had the effect of reducing the kinship factor from a potential maximum 60 percent of the pass mark to one-seventh of the pass mark.

Moreover, the elitist bias of the selection criteria has the effect of providing Canada with a relatively inexpensive unskilled and semi-skilled labour force. While the selection criteria emphasises skilled occupational characteristics, the development of the Canadian economy is such that the demand for unskilled and semi-skilled workers has not diminished. For example, in his submission to the Joint Committee on Immigration in 1967, the Minister of Industry and Commerce for Manitoba pointed out that Manitoba had a relatively high demand for unskilled and semi-skilled workers and immigration policy discriminated against these types of immigrants (St. John-Jones, 1981:68). The Green Paper of 1974 submitted that the general shortages for professional and highly skilled, trained people have disappeared, but shortages persisted in the unskilled and semi-skilled occupations. Thus, by directing the unskilled and semi-skilled applicants through the assisted relative class, the Canadian economy can avail itself of a labour force at low cost to the state since the sponsor is held financially responsible and obliged to financially assist the applicant. As proof of the elitist bias of the immigration selection criteria, the growth
of the service sector in the Canadian occupational structure was noted. Yet, immigrants continue to be under-represented in these occupations.

5.0 Conclusion

The purpose of this chapter was to outline Canada's position in the modern global economy. Indicators of the development of the Canadian economy suggest that Canada is involved as a junior partner in a common market with the United States. However, in contrast to the pre-War period, Canada has shown signs of developing into an advanced capitalist society. This can be seen in the internationalization of indigenous Canadian capital (especially that which is involved in manufacturing activity) and the growing service sector. With respect to population movements, the development of the Canadian economy can be seen in the reversal of the 'brain drain' into the United States.

The influence of the global economy and the pattern of Canada's business cycle can be seen clearly in the development of Canadian immigration policy during periods of upturns and downturns. The increasing role of the state in the production process is evident in the evolution of Canadian immigration policy as greater efforts are made to further control immigration in general and to restrict non-economic migration or, at the very least, make non-economic migrants conform more closely to Canadian labour market needs.
CHAPTER 4
Conclusion: Whither Canada?

For the purpose of analysis, Canada's position in the global economy was divided into a) its relationship with nation states in different economic regions, and b) its relationship with nation states within its own regional economy. The rationale for such a distinction is that each relationship explains different aspects of Canadian immigration. It was shown in Chapter 2 how Canada's relationship with other nation states in certain economic regions served to explain changing source countries for Canadian immigration. On the other hand, it is Canada's position in its own regional economy which is useful in explaining intercontinental migration between Canada and the United States, the occupational distribution of immigrants, and immigration levels. This separation of relationships is an artificial one. In order to fully understand Canada's position in the global economy, both the above mentioned relationships must be taken together. Before comprehensively understanding the position of Canada in the global, it is necessary to summarize the contributing factors which determines Canada's position in the global economy.

Figure 31 is a summary of the factors which determine the position of nation states in the global economy. The first (ie. top) tier of factors are the so-called proximate factors which affect the position of nation states in the global economy. The second tier is a crude representation of the global economic network. Canada's position in the network will be elaborated later. The third tier represents the intervening factors which determine the different aspects of Canadian immigration (the fourth tier). Thus, source countries for
Canadian immigration are directly determined by the existence of high and low wage zones. Similarly, the occupational distribution of immigrants and immigration levels are directly influenced by the structure of the Canadian labour market and immigration policy. On the other hand, the position of Canada in the global economy directly influences intercontinental migration trends.

Now that the factors affecting the position of nation states in the global economy have been described, what can be said about the 'form' of the world system, especially with respect to the position of Canada? The answer to this question is in two parts. First, it will be recalled that economies were divided into first and second order labour-exporting states. Thus, one can speak of 'peripheries within peripheries'. Core economies can be similarly distinguished. Williams (1989:133) summarizes the subordinate position of Canada in the continental bloc as a socially and politically distinct region of the United States economy. Thus within the core there are superordinate economic formations such as the United States, i.e. 'cores within cores'. Given that Canada is in a subordinate position to the United States the position of Canada in the global economy can be described as a 'periphery within the core'. Secondly, the nature of the relations between Canada and specific nation states must be taken into account when attempting to comprehensively describe Canada's position in the global economy. It will be recalled that a criticism made by Cohen of New International Division of Labour theorists is that they explain the NIDI in terms of the migration of capital and not labour. A concentration on capital and commodity relations leads to assertions based on rather flimsy empirical evidence.
As an illustration, Maclean (1983) attempts to describe the position of Canada in the global economy as one which involves a Pacific Economic Cooperation. Maclean (1983:65-74) shows the significance of Pacific Rim trade to Canadian economic interests. This share taken as a part of non-U.S. trade represents a shift in Canadian trade from the EEC to the Pacific Rim. Over time, Canadian non-U.S. exports to the Pacific Rim has surpassed those going to the EEC. Moreover, in terms of the value added of Canadian exports, the Hong Kong and South Korean NICs together with ASEAN, has increased in degree of fabrication. However Maclean points out that, leaving aside the United States part of Pacific export share, the relative share of Canadian Pacific Rim exports fluctuates between 8 and 9.5 percent.

Thus, Maclean is left in the unenviable position of attempting to explain the importance of the Pacific Rim to Canada by making reference to minute changes in Canadian total exports, based on the fact that the growth rate in Canadian exports for the NICs and the developing countries in the Pacific for 1970-80 ranges from 350 to 1 000 percent. He admits that part of this phenomenal increase may be due to the small base figures for these countries.\(^9\) If one were charitable, the only real Pacific trading partner (if we exclude the United States from the definition) that Canada has significant relations with would be Japan. Faced with such economic facts, Maclean turns to political evidence for Canadian involvement in the Pacific Rim. Here, he finds 'restrained optimism' for PEC. He does seem to stretch his sources to find reasons why official Canadian response to PEC is restrained. He cites for example, the fact that the orientation of Canadian traders is not readily changeable given the proximity of the United States market.\(^70\)
Given the discussion in the previous chapters, the significance of the Pacific Rim to Canada is not its export markets (although it is conceded that this may change), but the large pool of surplus labour there. With respect to capital and commodity flows, the most important relations for Canada are obviously those with the United States. Given that the Canadian economy is greatly influenced by the United States and is Canada's major economic partner, it can be justifiably argued that instead of viewing Canada and the United States as part of the Pacific Basin, it is more appropriate to think of Canada and the United States as a regional economy with ties to nations in the Pacific. Canada can then be seen as being part of a continental economy with ties to peripheral, labour exporting states in other regional economies.

Finally, the previous chapters showed how placing Canada in the global economy was a useful framework within which one can explain different aspects of Canadian immigration. However, no conceptual framework can adequately capture, in total, the complexities of social reality. The framework used here does not escape this limitation. This can be seen in the problems of classifying certain states as either labour importing or labour exporting states. For example, the NICs are indeed low wage states, but since they do not possess a significant surplus labour force they are not exporters of labour. Moreover, can vastly different economic formations such as the United States and the city-states of Hong Kong and Singapore be compared along the same factors? In addition, this thesis documented labour migration to the OPEC economies. These states can hardly be considered to have the same level of economic development as the Western European core economies yet they are significant importers of labour. Lastly, where do states that predominantly produce non-economic migrants such as refugees fit? Given these anomalies,
are the classification factors (and therefore the conceptual framework) inadequate for identifying labour importing or labour exporting states?

As an indirect answer to this question, anomalies exist within every conceptual framework. However, a good framework is flexible enough to accommodate these anomalies without compromising the utility of the framework. The selection factors used to classify labour importing and exporting states are flexible enough to accommodate such anomalies. This is so because there was never any attempt to prioritise them. Given this, it is completely logical to expect that the NICs would not be large exporters of labour because they do not possess all the factors which classify a state as a labour exporting economy. On the other hand, the expectation would be that the ASEAN economies, which possess all the necessary factors, would be and are indeed, large exporters of labour. Being either a labour exporting or importing economy therefore is a matter of degree. The terms 'low wage' or 'high wage' are not meant to describe absolute categories, but opposite ends of a continuum. In addition, identification of the factors only means that a nation state exhibits a potential to be a labour exporting state. This is so because structural-economic factors (GNP, growth of manufacturing sector, rate of unemployment or underemployment etc ...) alone are not adequate in explaining source countries for Canadian immigration, for example.

Using only structural-economic indicators to classify nation states as labour importers or exporters are clearly inadequate in light of certain inconsistencies in source countries for Canadian immigration, given the existence of high and low wage states. For example, the concept of wage zones cannot explain how Hong Kong is consistently a major source
country for Canadian immigration. According to the conceptual framework used, Hong Kong should not be a major source country. Sole reliance on structural-economic factors could not explain the predominance of British immigrants in the post-war immigration flows. Given the limitation of structural-economic factors, every effort was made to describe the political economic relations of the nation states involved in order to account for the above mentioned anomalies. For example, Hong Kong (due to its status in the commonwealth) has, since the Chinese 'coolie' trade of the late nineteenth century, acted as an entrepôt for Canada-bound migrants. Thus, a concentration on structural-economic factors would not reveal the important historical connections which tie Canada to Hong Kong that contribute to the position of Hong Kong as a major source country for Canadian immigration. Similarly, the historic association of the United Kingdom and Canada would explain the predominance of British immigrants in Canadian immigration flows.

In conclusion, structural-economic factors which determine the position of a nation state in the global economy must be analysed in light of the historical associations between specific nation states. Finally, the above statement is also a rationale for concentrating on only two economic regions (the PEC and Eurobloc) which act as source countries for Canadian immigration. It is recognized that Canadian immigrants do not just originate from these two regions. However, it is not within the scope of this thesis to describe adequately the structural-economic and historical ties of every regional economy with labour exporting ties to Canada.
ENDNOTES

1. Amin writes:

Integration into the world market determines the essential price structure, that which defines the ratio between prices of expanded products and internal prices. This structure makes possible a systematic transfer of value from the periphery to the metropolitan centre ... This being a process of unequal exchange (1984: 382).

2. This is sometimes known as the 'classical' division of labour.

3. This is at best a problematic conceptualization of how investment should affect wage levels, since Wallerstein does not specify how wage levels at the core would be affected and how change in the core wage levels should affect wages at the periphery. Lipietz (1987: 71) explains the movement of Western European capital to Southern Europe as a function of the economic crisis in the early seventies in order to raise productivity by, "the search for cheaper wage zones."

4. This is an imperfect title, one which was taken from the works of Immanuel Wallerstein who formally developed the concept of a modern world system. Many writers (some of which are cited here) have since criticized his work and would most likely object to being labelled as 'World Systems Theorists'. However, all the writers cited here implicitly or explicitly assumed the existence of a global economy. It is on the form and origin of this global economy that they differ.

5. The 'grafting' of capitalist relations of production onto non-capitalist modes of production also served to create a surplus labour pool. For example, Alavi (1981), points out that in colonial India, the introduction of private property on what was formally a feudal society. The 'landlord' was now turned into a 'landowner', and the dispossessed peasant was now 'free' to seek employment outside the rural area. Furthermore, according to Alavi, the domestic cotton, silk and textile industries were destroyed with the intrusion of foreign capital. Thus, the surplus labour pool was further enlarged by the displacement of artisans and other craft workers due to their inability to compete with the cheaper imported commodities from the core. Surplus labour in the periphery can then be used to resolve periodic crises in the accumulation process. For example, Chinese migrant labour was imported to the plantation economies in the West Indies, when production in the slave plantations were threatened because of the abolition of slavery.

6. The notion of crises is an integral part of world systems theory. Wallerstein, attributes the development of the world system to the negative effects of 'world empires' in the sixteenth century which prevented economic development. (Brenner,1982:56) For
intensive accumulation to that of extensive accumulation) to the economic crisis in the 1930s.

7. Froebel writes.

World market oriented industrialization as the development of a structurally dependent industrial complex is simultaneously a structurally uneven development (1980:385).

8. Regimes of accumulation are historically specific. According to Lipietz (1987: 33), the regime of accumulation which prevailed in the core economies between the Industrial Revolution and WWI was primarily characterized as 'extensive' or the use of capital in the accumulation process to increase the scale of production. After the WWII the dominant regime has been a process of 'intensive' accumulation where capital (in the form of technical innovation) was used to increase productivity.

9. However, Lever-Tracy (1983) maintains the pressures exerted by the surplus labour pools in the periphery only affects one segment of the core economies and therefore a specific part of wage workers at the core. This potential ocean of labour is connected to only a small segment of the labour market, which involves particularly undesirable jobs out of which not only indigenous workers but migrants too will move if they can. Lever-Tracy also criticises certain conceptions of immigrants workers as being a reserve army of labour, who occupy the most insecure jobs. Instead, she asserts that immigrant workers in fact make up an integral part of European economies.

10. Furthermore, the utility of foreign workers to capital in Europe is slowly diminishing. Cohen outlines three reasons. First, the displacement of domestic workers from internationally uncompetitive industries has replaced the foreign worker as the domestic reserve army of labour. What cheap labour is needed could be found by employing these in the NICs. Secondly, the reproduction of migrant labour power is becoming less cheap. It has of late become increasingly ideologically untenable to deprive temporary workers of the same rights as the general European population. Third, extracting more surplus-value from foreign workers at the point of production has also become less possible due to the organizing efforts of the migrants themselves. (Cohen, 1987:140-142)

11. In the late 1940s some leading economists of the Economic Commission for Latin America (ECLA) began to analyze the implications of the IDL for development strategies in the non-industrial (or peripheral) countries. Their solution was to advocate an 'inner directed' development through import-substituting industrialization as opposed to the 'outer directed' strategy of further specialising in the export production of raw materials. (Bernstein,1982:22!) This industrialization through import-substitution strategy was to be achieved through a shift of surplus from primary exports into the domestic consumer goods sector by restricting imports from the core to capital goods and using very high tariff
barriers to protect the emergent industries. (Lipietz, 1987:60) Although initially successful, the strategy ran into serious difficulties in the 60s, as it had either led to inflation and to a foreign deficit or had failed to deliver what had been expected (in terms of national independence or deliverance from poverty for most of the population). (Lipietz, 1987:65)

Early explanations for the failure of economic development based on import-substitution centred around the 'external' influence of the core economies. This 'inner-directed' type of industrialization was confounded by the interference of international capital and led to the 'denationalization' of major sectors of industry and finance. (Bernstein, 1987:221) The pattern of industrialization promoted by import substitution however engendered a new type of dependence in the form of:

"1) technological dependence, given the monopolistic control of multinational companies over advanced technologies and the leverage it gives them in supplying industrial processes, machinery, patents and blueprints, spare parts etc... and 2) financial dependence manifested in the high rates of inflation, balance of payments problems and growing external debts ..." (Bernstein, 1980:221)

12. Industrialization at the periphery can be characterised as being fragmented with certain industrial sectors benefiting from export-led, foreign-financed, industrialization. The 'global factories' (i.e. factories in the periphery producing solely for export) operating in the free trade zones have no connection at all to the domestic economy. First, capital goods (i.e. machinery and technology) are imported by foreign capital for use in the free trade zones. This means that basic industries, those that require enormous accumulation of fixed capital and skilled workers (Lipietz, 1987:91), remain undeveloped. Secondly, export production is geared to markets in the core economies. Thus profits are realised and remitted there instead of remaining in the periphery. In other words, value for a commodity is realised at the core. Capital returns to the centre in order to complete the cycle of capitalist reproduction. (Cardoso, 1982:120) In the words of Alavi (1982:181):

The circuit of generalized commodity production in peripheral capitalist societies is not internally complete as in the case of metropolitan capitalism. For that circuit is completed only by virtue of their links with the metropole by production for export ...

13. The production practices of the multinational corporations are implicated in reinforcing the existence of a reserve army of labour in the periphery. First, transnational corporations (TNCs) due to their monopoly on trade and investment, introduce capital-intensive technology to peripheral economies. This may be quite unsuitable for developing economies who are likely to have a surplus of labour and a shortage of capital. (Barrat-Brown, 1980:164) More important is the practice of setting up 'footloose' shops. This practice involves the location of production facilities in a specific peripheral state to take advantage of the surplus labour available there. When, at a certain point, a TNC do not find a certain production location profitable, due to a change in government policy, a rise
in wages or tax 'holidays' expire, multinationals simply relocate production to other regions in the country or move to another country altogether. This is due to the fact that the TNC does not rely on the domestic market. (Lim.1983:74; Froebel.1980:367)

14.Brenner (1982) starts from the assumption that the defining characteristic of capitalism is the systematic tendency towards economic development especially by means of relative surplus labour extraction. This economic development is organized on the basis of capitalist social-productive relations or class relations; he specifically mentions the system of free wage labour where labour power is a commodity as the most important for economic development under capitalism.

15. Brenner writes,

(T)he hierarchy of nations that Frank and Wallerstein emphasize leaves no room for understanding a bourgeois embedded in the industrialization process of developing societies, however integrated into and dependent on the world system (1982: 66).

16. Dependency theorists have been criticised for the metaphor of 'articulation' to describe the relationship between different economic sectors in the periphery or between parts of the international system, which are capitalist and others which are non-capitalist. The metaphor seems to imply a functional relationship between the global economy and the 'traditional' sectors which are integrated into, "the world-wide process of the valorization and accumulation of capital sometimes consciously preserved for its benefit." (Froebel, 1980:31)

Others have argued for a conceptualization of the global economy where 'traditional sectors' may or may not be integrated into a capitalist economy. Lever Tracy (1976) for example argues that migrant workers in the periphery do not always function as a reserve army of labour for the core economies in We... Europe:

Perhaps more significant is the lack of control (by capitalists in Western Europe) over returns (to the West when needed), which ... has undermined the possible use of migrants as a ... reserve that can be repulsed at will. It seems that those who returned are not primarily the 'failures' ... but those who have achieved their target (of earning enough money in the West to return to his/her native land and live in relative affluence) (Lever-Tracy, 1976:153).

For methodological reasons, it is much more desirable to conceptualise the relationship between the 'traditional' sectors and the global economy as being a 'contingent' one. To describe every element of the world system as being functional to the whole would be lead to a non-analysis' where the conditions and effects of development are ignored:

Under a symptomology of underdevelopment ... rather than being investigated as aspects of processes of contemporary change, of the
development of new contradictions and the types of struggles they give rise to (Bernstein, 1982:227).

17. According to Dickey:

Nous croyons que l'internationalisation du capital canadien doit être considérée comme une moyen dans la lutte pour la concentration capitalistie au plan national... (1987:108)

18. He specifically mentions two reasons. First, technological innovations at the point of production (the technical composition of capital) and productivity in Department 1 (production of means of production) rise at the same rate. This has the effect of reducing labour costs, or in Marxist terms, preventing the rise in the organic composition of capital and thus the tendency of the rate of profit to fall. Secondly, consumption by wage earners and productivity in Department 2 (production of articles of consumption) also rise at the same rate. This 'fit' between the consumption of wage earners and productivity in Department 2 is due to the regulation of wage relations through certain Welfare State practices. Specifically, these are: binding collective agreements; minimum wage rates; and a social insurance system.

19. For the purpose of this thesis 'Europe' is defined as all European non-socialist states. 'Western Europe' is defined as the following states: France, Benelux, West Germany, Ireland, Denmark, Iceland, Norway and Sweden and the United Kingdom. Occasionally, the United Kingdom will be referred to separately from Western Europe, because of its important relationship with Canada. 'Southern Europe' is defined as the states of: Spain, Portugal, Italy and Greece.

20. In the heady atmosphere of sustained economic growth, the danger of inflation (higher wages meaning higher production costs leading to higher prices), was subordinated to full employment. Maddison (1982: 129) states that when the outcome of demand management (i.e. Keynesian) policy was unclear, the tendency was to take the 'upside risk' or to trade a slight increase in the inflation rate for greater gains in employment. Resulting from the emergence of the Welfare State was a period of labour quiescence which brought a measure of price stability. Price stability was also maintained by a number of other factors mentioned earlier: the international system of fixed exchange rates; the relatively 'cool' American economy with relatively high rates of unemployment and under utilization of resources which led to modest domestic price increases; the removal of trade barriers and the relatively stable price of key commodities. (Maddison, 1982:135)

Keynesian economic policy assigned a central role for the state. (Wolfe, 1984: 47-49 and Maddison, 1982: 128-129) John Maynard Keynes analyzed the cause of the Great Depression in terms of the lack of investment and a falling level of demand. It was argued that in conditions of heavy unemployment, the government was required to use its fiscal policy in such a way as to offset the fall in private demand. Keynesianism provided a
theoretical justification for the interest of workers in higher wages, because it sustained levels of aggregate demand. Social insurance was also legitimated, not as charity, but as 'automatic stabilizers' that would buoy aggregate demand in periods of downturn, thus the justification for the Welfare State.

In general, making allowances for variations from nation to nation, the creation of the Welfare State in the post-WWII period represented a temporary truce in the conflict between workers and employers, because Keynesianism represented an attempt to unite the principle of continued private control of the investment and production processes with public demands for a change in the market-determined pattern of employment and income. (Wolfe, 1984: 47) For example, the Canadian state adopted Keynesian fiscal policies following WWII, partly due to the growing influence of the labour movement in Canada. (Wolfe, 1984: 53-55) The economic expansion generated by WWII caused a dramatic increase in the overall size and relative strength of the labour movement. By 1943, the demand for labour was so high that the Canadian government denied workers and employers in essential industries the right to quit or to dismiss without just cause. (Roberts and Bullen, 1984:113) This presented an unprecedented opportunity for unions to launch organizing drives. During the early post-war period, the proportion of non-agricultural workers organized in labour unions rose from 16 per cent in 1940 to 29 per cent by 1949, and levelled off at 34 per cent by 1955. (Clement, 1984:91)

21. Lipietz (1987) describes Southern Europe as the 'first periphery'. For example, the per capita GNPs of the Southern European states were below that of Western European. The per capita GNP for Southern Europe for 1967 were: Turkey, U.S. $353; Spain U.S. $822; Italy U.S. $1,279. In comparison, those of the Western European states ranged from U.S. $1977 for the United Kingdom to U.S. $2234 for France. (Castles and Kosack, 1985:28) The figures for 1967 represents a trend of lower increase in per capita GNP for the Southern European States as compared to the Western European states for the 50s and 60s.

22. The militancy of the industrial working class in Italy posed a threat to the traditional labour intensive industries where wage costs formed a large part of total production and had little scope to develop new technology, needed to seek out new locations with low wage costs and flexible labour markets. (Hudson and Lewis, 1984: 201) Thus, small, labour intensive firms began to move to the central and north eastern regions, especially the Emilia-Romagna, Veneto and Tuscany area where considerable labour reserves of agricultural workers, who remained non-unionized and saw industrial work as a supplement to their agricultural livelihood, could be found.

23. The workers in Spain, Portugal and Greece were no longer as oppressed as before, with the overthrow of the dictatorships in those countries. The death of Antonio Salazar in 1968 and the colonial wars in Africa served to consolidate the pro-democratic forces in Portugal. Following a coup by the armed forces in 1974, political power was handed to civilian political parties and free elections have, since 1976, been the chief method of forming governments. (Porto, 1984:103) In Spain, the death of Francisco Franco in 1974 released the collective militancy of the opposition forces there and led to a referendum on political reform in 1976. Following complex negotiated settlements between the opposition
forces and the Francoists, Spain adopted the trappings of a liberal democracy: political parties; free public opinion; constitutional politics; free-trade unions; and freedom of assembly and association. (Giner and Sevilla, 1974:125) In Greece, the succession of American supported military regimes since the post-war period was brought to an end in July 1974 as Brigadier Ioannidis relinquished power to the civilian government led by Prime Minister Karamanlis because of the military regime's inability to deal with the war in Cyprus.

24. Maclean (1983) uses the commonly accepted '5+5+1' formula for determining the boundaries of the Pacific Rim i.e. the five developed countries in the region (Australia, Canada, Japan, New Zealand and the United States) plus the five members of ASEAN (Thailand, Indonesia, Malaysia, the Philippines and Singapore) plus South Korea. For the purposes of this thesis, two further members to the definition of the Pacific Rim will be added: Taiwan and Hong Kong.

25. In order to accomplish this however, Japan's traditional hinterland had to be revived as well. Thus both Taiwan and Korea would receive massive amounts of American military and economic aid while the United States would involve itself with military interventions such as the Korean War. (see Cumings, 1987)

26. For example, South Korea and Taiwan were the colonial property of Imperial Japan during the early part of this century. During the late 1930s Japan began to change its colonial economic policies in Korea and Taiwan, increasing production of certain war-related industrial goods. (Koo, 1987:167) Japan was among the very few imperial powers to have located modern heavy industry in its colonies: steel, chemicals, hydroelectric facilities in Korea and Manchuria and automobile production for a time in the latter. (Cumings, 1987:55) Thus, when the Japanese relinquished their imperial hold over these colonies after WWII, both states were left with a substantial industrial and infrastructural base from which to build a modern economy.

27. Disruptions in the world economy also contributed to the growth of Hong Kong. Its role as an entrepôt for British goods destined for China was curtailed by the Chinese Revolution as mainland China trade was handled by state-owned firms.

28. The internal class structure of these states also contributed to their economic growth. In Taiwan and South Korea extensive land reform effectively removed political opposition from the agrarian elite by destroying their source of power. In South Korea, due to land reforms implemented between 1948 and 1950, 70 per cent of all land in Korea was redistributed. (Koo, 1987:170) Taiwanese land reform took place in three stages starting from the reduction of rent acts in 1949 to a Land-To-The-Tiller Act in 1953. The comprador classes in these countries were also rendered powerless due to independence. Thus, effective opposition by other classes to indigenous industrialization was removed.

29. Deyo (1987: 185) notes that the reason for a lack of extensive state intervention in labour organization in Taiwan and Hong Kong is the relative passivity of labour in these nations. In Hong Kong, the widespread use of immigrant labourers working under threat
of deportation to the mainland, the existence of competition from Taiwan, and the political pressure from Beijing to maintain political peace, all contributed to the passivity of Hong Kong labour. In Taiwan, the existence of one party rule, the lack of a nationalist party to mobilize workers and the predominance of agricultural workers served as a constraint on labour militancy.

30. As late as 1978, effective rates of protection for key industries in South Korea effective rates of protection were 135 per cent in transport equipment, 131 per cent in consumer durables, and 47 per cent in machinery production. (Bienfeld, 1988:21)

31. Moreover, while low wages on the part of the workers are compensated with higher welfare expenditures on the part of the state, initiatives of this type have come from above, and there does not seem to be any guarantee that these would be taken away, in the wake of an economic downturn.

32. The official number of 'entertainers' going to Japan is very much an underestimate of the actual number, due to the proliferation of illegal (ie. unregistered) 'entertainment companies' operating in the Philippines. (Clad, 1988:19) The official number of domestic workers living abroad also tends to be a conservative estimate, due to the presence of unregistered recruiting companies. (ISIS, 1980:10)

33. In some cases where Arab oil exporting states have a large population with developed educational systems, the stock of foreign workers in the national population does not exceed that of Western Europe. (Ecevit, 1983:261)

34. For example, the number of Egyptian workers in 1975 going to Kuwait was 37,600. (Ecevit, 1983:262) This number was roughly equivalent to total number of Filipino foreign workers destined for the whole of the Middle East. (Smart, Teodosio and Jimenez, 1986)

35. Thus colonial merchants were only allowed to distribute goods that were imported by the chartered companies and were prevented from manufacturing their own goods. Navigation acts formalized the trade restrictions and protected the colonies for British manufactures, to be carried in British ships. In addition, Britain had a long standing policy of prohibiting the export of manufactured machines and emigration of skilled artisans. (Naylor, 1972:6)

36. The economic implications of nationhood were very clear. Merchants and manufacturers had the advantage of a large free-trade area, a single national currency, the protection of commercial credits in all the states, and a stimulus to business that would come with the issuing of sound public securities. Merchants and ship owners also stood to profit from federal laws giving preference to American-owned ships and from the backing in foreign trade of a strong government endowed with effective bargaining power. Manufacturers and artisans could now look to the Union for additional benefits in the shape of bounties and tariffs. (Nettels, in Clement, 1977:38)

37. Given the framework described earlier, it is implied that the nation state is an arena where competing interests attempt to control the state to their advantage. This assumption would lead to an analysis of the conflicts within the state between classes that results in particular actions of the state both domestically and with its relations with other states. Clement (1978: 39-48) interprets the victory of the industrialised north over the southern
plantation economies as the triumph of manufacturing over mercantile capital. Financial capital (then unfit for manufacturing purposes because merchant banks only extended short-term credit) usually spent on commerce and trading was now being diverted to the manufacturing sector (Naylor, 1972:7) and to the creation of a domestic market (Clement, 1978:46). The American manufacturing class embarked on an import substitution model for American economic development which emphasized a strong domestic market for its goods. Naylor (1972) attributes the implementation of the Canadian National Policy as a defensive reaction, by the dominant mercantile class, to the encroachment of the American industrial class on its traditional hinterland (the Prairies). The system of tariffs which was to sponsor this economic growth had the unintended effect of placing the Canadian manufacturing sector in the hands of foreigners.

38. The great manufacturing accomplishments of the United States would cast a shadow on the British Empire. British short-term, low-risk capital (in the form of portfolio investments) played a major part in the financing of the American industrial revolution, "... financial institutions (in the U.S.) flourished under these conditions ... by acting as intermediaries for foreign, particularly British, banking houses." (Clement, 1978:45) While British finance capital provided the backing for American industrialists, it drained off funds from its own domestic industrial sector, which was experiencing a slump in the 1870s. (Naylor, 1972:19)

39. Canada's technological dependence on the United States lent a certain degree of power to the United States in directing the course of Canadian economic development. The license and patent rights to technological innovations held by an American corporation allowed it to determine the marketing strategy of the Canadian company holding such a license:

Licensees ... were often forbidden to export as a condition of utilizing a foreign patented process in the Canadian market. U.S. branch plants ... had to be content with a division of the world market determined by the priorities of their parent firms (emphasis added, Williams, 1986:52).

Thus export blocking on the part of parent corporations was a significant barrier to Canadian economic development.

40. The largest share of these imports came from U.S. machine tool factories which, between 1885 and 1900, supplied 80 to 85 per cent of the market. These figures increased to 85 per cent and 95 per cent between 1901 and 1914.

41. For example, during WWI, Canadian manufacturers only produced empty shell casings, the more technologically intricate parts: that of the fuse and cartridge, were imported from the United States.

42. Despite the relative weakness of the manufacturing sector in Canada, Canadian manufacturers advocated an import substitution of model of economic development. The
ideology of import substitution i.e. the notion of giving the 'home market' priority over export markets, is described by Williams (1986: 68-127). For example, the Canadian Manufacturing Association (CMA) expressed interest in moving into South America, a market that was abandoned by the Germans due to WWI. The CMA however, had to give up its promotion due to lack of interest on the part of its members. Williams, cites a trade journal article written in 1914 which counselled Canadian firms to be very cautious in moving into the foreign markets Germany had been forced to vacate. Citing the numerous difficulties of export trade, the journal argued that a threatened influx of imports from the 'neutral' U.S. into Canada made it essential that industrialists give first priority to domestic trade and to replacing imports formerly made in Germany. This 'home market' bias on the part of manufacturers and the Canadian state can be seen in the several 'Buy Canadian' campaigns that were still being launched as late as the 1960s. The 'Buy Canadian' campaigns of the CMA received considerable support from government. In 1962 they received substantial support from the Ontario government, which launched its own $500,000 campaign to encourage citizens to buy Canadian.

43. The high barriers to trade with the United States imposed by the National Policy tariffs favoured the establishment of U.S. branch plants in Canada. For example, due to the 35 per cent tariff on carriages, a Canadian manufacturer approached Henry Ford and suggested a joint venture for a manufacturing plant in which Ford would have majority control. (Clement, 1977:60) The import-substitution policy of the United States greatly influenced the decision by the Canadian merchant class to embark on a similar venture. But the economic model of import substitution adopted by Canada was not quite as robust as that of the United States. This Canadian version of economic development was predicated on a defensive reaction to the above mentioned American industrialization and territorial expansion.

44. Another example of the level of integration between the Canadian and American economy is the extent of corporate interlocking (interlocking occurs when one person sits on the boards of directors of two or more companies) between the economic elites of the two nations. Of the 194 dominant U.S. companies ninety-eight interlocked with either Canadian dominant companies or their Canadian branch plants.

45. In Canada the five hundred largest corporations in 1954 accounted for half of total industrial sales while the same number of corporations accounted for two thirds of the market in 1970. (Clement, 1977:138) A report by Consumer and Corporate Affairs Canada in 1971 describes the historical development of concentration in the Canadian manufacturing sector. Of the firms sampled in 1948, there were three industrial sectors who had three or less dominant firms accounting for 80 percent of employment and contributing 6.9 percent of the value added for the sample. In 1965 of all enterprises sampled, the same number of industries possessed three dominant establishments accounting for 80 percent of employment but contributed 11.4 percent to the value added of the sample. (Consumer and Corporate Affairs, 1971:43)

46. In 1963, the largest fifty American manufacturing companies accounted for 25 per cent of total value added by manufacture, while the top one hundred accounted for 33 per cent. In contrast, for the year 1965 the fifty largest enterprises in Canada accounted for 36 per
cent of total value added, while the top one hundred accounted for 46 percent. Lest these
statistics be misinterpreted to mean that Canadian capital is now in a position superior to
that of American, one must be reminded of the large differences in scale; the American
economy is eleven times as large as that of Canada (Clement, 1977:140) and that, in the
period considered, American capital was heavily involved in the Canadian manufacturing
sector.

47. It is not surprising that the fractions of the Canadian capitalist class who were the first
to expand to the international level were those which prospered under the resource export
nature of the Canadian economy. See Naylor (1975) and Clement (1977) for a description
of the international business activities of Canadian financial, transportation and resource
companies.

48. Although the influence of the resource sector is apparent, when manufacturing sector's
share of foreign investment declined between 1972 and 1977 due to massive investment on
the part of the resource industry in the Northsea and in the United States.

49. The integration of Canada in the global economy is reflected in government policy with
the development of the 'Third Option' which argued that foreign investment has prevented
Canada from going beyond a resource based economy and argued for a nationalist approach
in the development of the economy. The aims of the Third Option was the reconstruction
of the branch plant economy (Williams, 1985:161) and an export promotion strategy aimed
at diversifying trade links was encouraged. The effect of this new policy orientation can
be seen in the Export Market Development Program (EMPD) of the Ministry of Industry
and Commerce (MIC). Between the periods 1971-72 to 1981-82 the EMPD extended more
export development loans (in terms of amount and number) to the developing countries
than to the United States, the EEC or Japan. (Hervouet, 1985:164) Similarly, for the years
1971-1980 more MIC trade missions have gone to the Third World than the developed
world. However, that the United States still represents Canada's largest trading partner both
in terms of exports and imports and is the chief destination for Canadian investment, would
indicate that Canada is involved as a junior partner in a transcontinental trading bloc with
the United States.

50. Between 1896 and 1914 approximately a million immigrant farmers were found for the
Canadian agricultural industry and the booming railway industry. (Avery, 1983: 15-25) The
type of worker needed for the wheat fields, forests, mines and railway sites were seasonal
labourers who were small farmers who could be sloughed off then picked up when needed:

 too poor to establish itself directly on the land ... the life of the yeoman
farmer was either irrelevant or but a distant ideal that could be realized only
through the slow accumulation of capital through wage labour (Avery,

Continental immigrants were much more suited for the purposes of the Canadian labour
market at this time. One survey of rural settlement during the 1900s in Western Canada
revealed that 50 per cent of 832 families interviewed had no money on arrival in Canada
and another 42 per cent less than $500. As a result, the Central European settler was forced to, "seek temporary employment in farm labour, railroad construction ... or mining." British immigrants were especially unsuited for the task because they were, "... unwilling to tolerate low wages and primitive working conditions ..." (Avery, 1983:25)

51. Contemporary immigration policy is not only used to fulfil labour force demands but is also a tool to promote population objectives generally. In the previous section, it was pointed out that one of the reasons for the failure of an import substitution model for Canadian economic development was the small size of the domestic market. The Immigration White Paper of 1966 echoed this same sentiment when it pointed out that a bigger population meant: increased domestic markets for industry permitting long (therefore cheaper) production runs; a broader range of industries which can be undertaken economically; lower per capita costs of government, transportation, communications; a stimulus to the development of more specialized services. (in Malarek, 1987:33) It has long been recognized (see Malarek, 1987: 28-43 and Hawkins, 1989: 63-70) that Canada has a problem which is symptomatic of most Western economies: a declining and ageing population due to low fertility rates. The Western European economies deal with the problem by advocating a pro-natalist solution to declining population growth. Canada on the other hand, as a former, sparsely populated colonial outpost, has a long tradition of fulfilling population requirements through immigration.

52. The sponsored group included the wife or husband, unmarried son, daughter, father or mother, widowed daughter or sister with or without married children under 18 years of age, the orphan niece or nephew under 18 years age of any permanent resident in Canada who would be in a position to receive care for such immediate relatives. (Rawlyk, 1957: 290)

53. The Immigration Index is meant as a rough indicator of the immigration level within a period compared to that of the previous years. Thus, the level of immigration within each year of the series is expressed as a proportion of immigration in the year before the start of the series. For example, the immigration level of 1948 was ten times that of the immigration level of 1944, the year before the start of the 1945-1950 series.

54. This period contains an example of how economic pragmatism usually predominates over racial exclusivity in the matter of immigration policy. In 1955, the Canadian government, succumbing to pressure from rich Canadians and the British Colonial Office, entered into an agreement with Jamaica and Barbados for a Domestic Migration Program. This program contravened current immigration legislation but was implemented anyway with yet another Orders-in-Council (Mackenzie, 1989:132)

55. This was because the range of relatives eligible for sponsorship varied according to country of origin. (see Corbett, 1957: 40-41)

56. In contrast to the liberal sponsorship afforded the non-Asiatic countries, those Canadian
citizens from other countries not defined as Europe or North America could sponsor only the husband, wife, or unmarried children under twenty-one years of age or the mother if she is over sixty years of age.

57. Due to great political pressure, the Orders-in-Council was rescinded.

58. The subordination of immigration to larger national goals can be seen in Hawkins (1972:152) when she writes that the splitting up of the Department of Citizenship and Immigration and the merger of Immigration with Manpower was due to the, increasing intervention of the state in the economy:

(The subordination of Immigration in the new Department of Manpower and Immigration) was a take-over, essentially, by the new technology of Canadian government; by forces since the reports of the Senate Committee on Manpower and Employment, and the Glasco Commission and by the Economic Council of Canada ... and by the specialist advisers. It was a product of Canada's new economic environment and her new, tentative approach to planning. It fell victim to a grander design (emphasis added).

The new Department of Manpower and Immigration would be responsible for immigration --- an important source of skilled labour. It would also take over placement and employment services, technical and vocational training. (Hawkins, 1972:151) Thus we can see that, as Boyd (1976) and Passaris (1980) has pointed out, the emphasis of Canadian immigration policy on fulfilling Canadian labour force requirements.

59. This can be seen in the numerous ad hoc Orders-in-Council passed to deal with specific problems. Another example would be the considerable discretionary power which rested in the minister when it came to admitting immigrants, which essentially made him/her the ultimate arbiter in matters of admission.

60. Optimism about the Canadian economy once again found reflection in Canadian immigration regulation. On August 14, 1964 the Minister of Immigration at the time, René Tremblay, introduced administrative changes meant to enhance the immigration process. Changes in the Overseas Service are indicative of the new attitude towards immigration. Additional funds were allocated for the expansion of the Service abroad which included: a greatly increased promotional campaign a new immigration staff which would oversee immigration from the Western Hemisphere, Asia and the Pacific and improved immigration offices and facilities to create,

a better image of Canada overseas ... to enable Canada to compete more effectively in immigration with other countries (Hawkins, 1972:142).

61. The last vestige of national/racial discrimination lay in the fact that only European immigrants could sponsor more distant relatives.
62. St. John-Jones (1981) interprets the solution to the sponsored immigration problem as a compromise between the sometimes contradictory principles of Canadian immigration policy: family reunification and labour force requirements. This could be the case, as political pressure did result in the Canadian government of 1959 rescinding an Orders-in-Council prohibiting further immigration of the sponsored class.

63. The Green Paper policy options reflected a more restrictive immigration policy. Aside from maintaining the status quo, the Green Paper laid out three other options (St. John-Jones, 1981:79). The first option was, relating immigration more strongly to labour market needs which meant strictly defining those immigrants destined for the labour force and those who were not --- meaning, perhaps the elimination of the nominated class. The second option was the setting of specific immigration targets. The third alternative was to fix a maximum figure for all immigrants and ceilings for each category.

Amidst controversy surrounding the Green Paper, a Joint Committee of the Senate and the House of Commons on Immigration Policy was formed to develop immigration policy recommendations. St. John-Jones (1981: 81-83) classifies the submissions into three categories: Economic, Humanitarian and Linguistic. The linguistic issues revolved around the preservation of the French language in Canada. The humanitarian issues were voiced by church groups and centred around the increasingly utilitarian/economic emphasis of immigration policy. The powerful Economic Council of Canada submitted (as did others) the view that Canadian immigration policy should be used specifically as a way of mitigating the decline in the birth rate. Other organizations went further and recommended rates of growth and eventual target population levels. The recommendations made by the committee embodied the concerns first voiced in the Green Paper and then repeated in the hearings conducted by the Committee. Thus, the Committee recommended that the principles guiding immigration should be: demographic, economic, family and humanitarian reasons and that these recommendations be stated explicitly. Non-discrimination according to race, creed, ethnic origin and sex with respect to immigration was affirmed. Consultations between the federal government and the provinces were encouraged. The need for immigration policy to conform to population goals was affirmed, and to this end a minimum annual intake of 100,000 immigrants was recommended. Most importantly, it recommended an 'annual target figure' within this minimum which was meant to achieve even population growth (Hawkins, 1988:60-61 and St. John-Jones, 1981:80-81). The general tone of the Joint Committee towards immigration was a positive one. However, it struck a cautionary note, and recommended stricter administrative controls on admission, so as to achieve the desired population targets.

64. The principles relate to Canada's demographic goals; enriching the cultural and social milieu of Canada; family reunion; wider consultation in matters of immigrant settlement; the fostering of trade, commerce, tourism, cultural and scientific activities and international understanding; non-discrimination in immigration policy; economic prosperity in all Canadian regions; the health, safety and good order of Canadian society. (Hawkins, 1988:71)

65. The consultative process is an involved, year-long task, which includes a spring submission to Cabinet, that is considered by the deputy ministers of the Ministry of State for Social development and the Priorities and Planning committees of Cabinet. The summer months (May, June and July) are reserved for consultations with nongovernmental
organizations and the provinces. A fall draft submission to Cabinet is given to the Departments of External Affairs, Secretary of State, National Health and Welfare and to the Royal Canadian Mounted Police, for comment. The fall submission is also considered by senior officials of the Ministry of State for Social Development. In October, the Social Development and Priorities and Planning Committee of Cabinet is given the Fall submission for approval. If approved the Annual Report is tabled in the House of Commons on November 1. (Hawkins, 1988:89)

The merger of the Unemployment Insurance Commission and the Department of Manpower and Immigration can be seen as a further integration of immigration policy within broader economic/demographic concerns. According to Hawkins, (1988: 79-80) the major purpose of the merger was to provide an organizational structure which would more effectively deal with the persistent problem of unemployment. The much smaller Department of Employment and Immigration would be essentially 'tacked on' to the large quasi-independent cross-Canada Commission so as to give this new body a voice in Cabinet. Within the Commission the Immigration and Demographic Policy Group is only one of seven other groups, most of which have to do with either the administration of the Unemployment Insurance Program, labour market and employment outlook analysis or administrative groups internal to the Commission.

66. Selected workers are defined as principal applicants in the Assisted Relatives and Other Independent Immigrants categories who are destined to the labour force. The definition excludes persons admitted under special humanitarian programs, except for (domestic) workers and persons destined to family businesses. (Employment and Immigration, 1988:41)

67. It is ironic that, because of a worldwide economic slump, when the sponsored stream was put under tighter control; at a time when Canadian immigration planners were doing their utmost to restrain immigration, that a sizeable noneconomic (and therefore largely uncontrollable) international migration took place, the refugee movement from Southeast Asia and (to a lesser extent) Central America. The issue of refugee migration is a long and complicated one and can not be adequately treated within a subsection of this thesis. The impact of the recession in this period would have an effect on the refugee stream. The 1982 and 1983 refugee plans called for reduced levels- 14 000 and 12 000 respectively. The reduction was justified on the grounds that Canada had just admitted a very large number of Indochinese refugees and that the recession was still having a serious impact on the Canadian economy. (Hawkins, 1988:176) The worldwide economic recession combined with a flexible, relatively reasonable refugee determination system in Canada resulted in a new problem for the immigration managers: that of an increasing backlog of refugee claims, due to invalid refugee claimants from traditionally non-refugee producing countries and a 'secondary migration' of asylum seekers from European settlement countries.

68. The self-employed are exempt from arranged employment criteria.

69. Indeed, during the whole period 1975 to 1981, with the exception of Japan and the United States, the percentage share of Canadian exports to individual Pacific region
countries never exceeded 1.5 percent. Given such small base figures, one would have to attribute the majority of the previously mentioned rates of increase in exports to Pacific countries as due entirely to the small base figure.

70. Essentially, Maclean has resorted to psychological reasons (on the part of Canadian business) for the lack of enthusiasm in the Canadian response to the PEC after taking great pains to extol the material (i.e. economic) benefits of integration in the Pacific.
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Heyzer, Noleen

Houle, François

Hudson, R. and J.R. Lewis


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ISIS

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King, R.

Koo, Hagen
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Source: Sharma, 1988: 33-34
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-斜线1985:50-51
-斜线1944:1
-斜线1945:1

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Source: Corbett, 1957 171
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Sources

Munte, 1964, p. 51

CPI = Consumer Price Index
GNE = Gross National Expenditure
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General Population

Intended Occ. of Immigrants

Source
Boyd, 1976 92
Dominion Bureau of Statistics Canada Year Book (various years)

Statistics Canada Canada Yearbook (various years)
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Sources:
- Wold 1963: 60-61
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- CPI: Consumer Price Index
- GNE: Gross National Expenditure
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- % Change in GNE
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Year
60-62 66-67 69-71 74-75 80-82

Percentage
0 1 2 3 4 5 6

— Major Four European — Major 7 OECD — EEC
— OECD Europe — North America — Total OECD

Source: OECD, 1987-88
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Source
Boyd, 1976 92
Statistics Canada Canada Yearbook (various years)
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General Population

Intended Occ of Immigrants

Source

Statistics Canada Canada Yearbook (Various years)
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Sources:
Wolfe, 1986: 50-51

GNE: Gross National Expenditure
CPI: Consumer Price Index
Immigration Index (1973-1)
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General Population

Intended Occ. of Immigrants

Source

Employment and Immigration, Canada  Immigration Statistics (various years)

Statistics Canada  Canada Yearbook (various years)
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Source:

Statistics Canada. (Various years). Employment and migration Canada. Also various years.

Statistics Canada. (Various years). Canada's population.
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Source
Employment and Immigration Canada. 1980
Employment and Immigration Canada Immigration Statistics. 1986

Missing years 1979-81
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Maximum Units of Assessment

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Sources: Canada, Department of Employment and Immigration, 1985a
Department of Employment and Immigration, 1988

a Not Applicable for Nominated Relatives
b Not Applicable for Entrepreneurs, a 25 unit bonus is awarded in lieu of assessment
c Processing bar if applicant is not assessed a least one unit for Occupational Demand or Arranged Employment or Designated Occupation.
d Ten unit deduction for all applicants if not assessed at least one point.
e Bonus applies if application is accompanied by an undertaking of assistance.
f Five unit penalty if area is designated as not in need.